Advanced Education

Annual Report
2015-2016

Alberta
Government

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 20 ministries.

The annual report of the Government of Alberta contains ministers' accountability statements, the consolidated financial statements of the province and *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

On October 22, 2015, the government announced new ministry structures. The 2015-16 ministry annual reports and financial statements have been prepared based on the new ministry structures.

The Ministry of Advanced Education is comprised of programs formerly in the Ministry of Innovation and Advanced Education and the Ministry of International and Intergovernmental Relations.

This annual report of the Ministry of Advanced Education contains the minister's accountability statement, the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- **the financial statements of entities making up the ministry including the Department of Advanced Education, regulated funds and provincial agencies for which the minister is responsible; and**
- **other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.**

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2016, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at June 1, 2016 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

original signed by

Marlin Schmidt
Minister of Advanced Education

Message from the Minister

Alberta recognizes that our most important asset is our people. Education is one of the most valuable investments a person can make. It is the key to building a strong economy and a vibrant society. During the past year, the ministry played an important role in helping Albertans access affordable and quality adult learning opportunities.

As part of our efforts to ensure post-secondary education is affordable for Alberta families, the ministry froze tuition fees, mandatory non-instructional fees and apprenticeship material fees for two years. We also cancelled previously approved tuition increases in 25 programs at 10 institutions.

The department maintained its commitment to provide stable and predictable funding for the post-secondary system and increased base funding for post-secondary institutions by two per cent—an increase of $40 million over 2014-15. We also provided institutions with $16 million to cover the lost revenue associated with the tuition freeze and $22 million to cover the cancellation of the previously approved market modifier increases.

The ministry made several enhancements to student aid programming to better target funding to students who face financial barriers, and increased aid to recognize actual costs faced by students. We doubled the Alberta Low Income Grant, made grants and loans available to apprentices and eliminated spousal income as an eligibility criteria. We also increased living allowances and loan limits so they more accurately reflect the costs of living and studying in Alberta. In addition, we implemented a new First Period Apprentice Award to encourage registered apprentices to complete their first period of technical training.

To encourage more Indigenous Albertans to pursue and complete post-secondary studies, we worked with public post-secondary institutions, First Nations colleges and the Ministry of Indigenous Relations to introduce the Indigenous Careers Award and the Indigenous Graduate Award. This work aligns with the Government of Alberta's support for the *United Nations Declaration on the Rights of Indigenous Peoples*.

The global future will be shaped by people who are educated, skilled and committed to lifelong learning. In the coming year, the ministry will continue working to ensure Alberta's adult learning system meets the needs of learners across the province.

original signed by

Marlin Schmidt
Minister of Advanced Education

Management's Responsibility for Reporting

The Ministry of Advanced Education includes:

- the Department of Advanced Education,
- the Access to the Future Fund, and
- public post-secondary institutions.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry rests with the Minister of Advanced Education. Under the direction of the minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- Understandability – the performance measure methodologies and results are presented clearly.
- Comparability – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Completeness – goals, performance measures and related targets match those included in the ministry's Budget 2015.

As deputy minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board, the Minister of Finance and the Minister of Advanced Education information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives of the individual entities within the ministry.

original signed by

Rod Skura
Deputy Minister of Advanced Education

June 1, 2016

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Ministry Overview

Advanced Education strives to engage Albertans in learning in order to build a resilient economy and a thriving society. The ministry aligned its services under two outcomes in 2015-16:

- **Desired Outcome One**: An accessible, quality and stable post-secondary system ensures Albertans reach their full potential.
- **Desired Outcome Two**: Apprentices have access to flexible training options in order to reduce barriers to successfully participating in a changing labour market.

There are three main divisions within the ministry that carry out the work of the department: Advanced Learning and Community Partnerships, Apprenticeship and Student Aid and Strategic and Corporate Services.

The Advanced Learning and Community Partnerships division works closely with Campus Alberta partners, private post-secondary institutions and community learning providers to support adult learners, provide learning opportunities and enhance the learning system. Advanced Learning and Community Partnerships provides funds to advanced learning providers, approves programs of study, licenses and certifies private post-secondary institutions, and creates awareness and encourages participation in post-secondary education. The division coordinates post-secondary policy, legislation, governance and intergovernmental activities.

The Apprenticeship and Student Aid division provides services directly to post-secondary learners, apprentices and employers. The division works closely with Campus Alberta partners, industry and the Government of Canada to train and certify skilled trade professionals to meet industry demand, develop trade standards with industry and raise awareness of apprenticeship programs. The division also provides student aid supports, including loans, grants, scholarships and other awards. Apprenticeship and Student Aid also designates programs for student aid supports and encourages post-secondary participation.

The Strategic and Corporate Services division integrates a number of key ministry support functions including finance; information technology management; legal, legislative and governance services; and cross-ministry and intergovernmental relations. The division facilitates an aligned, coordinated and focused approach to priority setting, strategic policy development, strategic planning and resource allocation for the department. The division supports a service-oriented culture with a focus on building internal teamwork and expertise through proactive, horizontal and cross-divisional approaches.

The ministry collaborates with learning providers, advisory boards, councils and authorities to fulfill its mandate.

Entities included in Ministry Financial Statements

- Ministry of Advanced Education
  - Department of Advanced Education
  - *Funds*
    - Access to the Future Fund
  - *Public Post-Secondary Institutions*
    - *Comprehensive Academic and Research Institutions*
      - Athabasca University
      - University of Alberta
      - University of Calgary
      - University of Lethbridge
    - *Baccalaureate and Applied Studies Institutions*
      - MacEwan University
      - Mount Royal University
    - *Polytechnical Institutions*
      - Northern Alberta Institute of Technology
      - Southern Alberta Institute of Technology
    - *Comprehensive Community Institutions*
      - Bow Valley College
      - Grande Prairie Regional College
      - Keyano College
      - Lakeland College
      - Lethbridge College
      - Medicine Hat College
      - NorQuest College
      - Northern Lakes College
      - Olds College
      - Portage College
      - Red Deer College
    - *Specialized Arts and Culture Institutions*
      - Alberta College of Art + Design
      - The Banff Centre

For more information on the Ministry of Advanced Education, see **advancededucation.alberta.ca.**

Advisory Boards, Councils and Authorities

- Alberta Apprenticeship and Industry Training Board
- Access Advisory Council *
- Alberta Council on Admissions and Transfer *
- Campus Alberta Quality Council *
- Students Finance Board *
- Alberta Heritage Scholarship Committees *

* Undergoing review as part of the Government of Alberta's review of agencies, boards and commissions.

Discussion and Analysis of Results

Desired Outcome 1

An accessible, affordable, quality and stable post-secondary system ensures Albertans reach their full potential

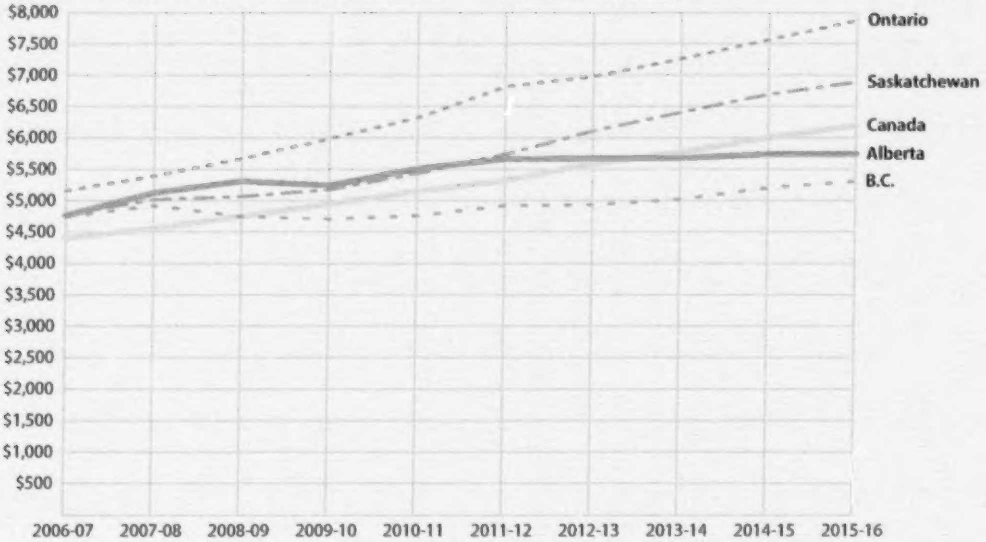
Priority Initiative 1.1

Implement a two-year tuition freeze for post-secondary students and apprentices to ensure advanced education is accessible and affordable for Alberta families

Tuition Freeze

As part of its efforts to ensure post-secondary education is accessible and affordable for Alberta families, the government froze tuition fees at 2014-15 levels for two years. Tuition fees, including those for apprentices, were frozen through changes to departmental policy and the Public Post-secondary Institutions' Tuition Fees Regulation. The ministry also directed institutions to freeze the mandatory non-instructional fees and apprenticeship material fees levied by institutions. Examples of mandatory non-instructional fees include comprehensive student services fees, administration fees and athletics or recreation fees.

Average Undergraduate Tuition, Canada and Selected Provinces



Source Statistics Canada. *Table 477-0077 - Canadian and international tuition fees by level of study, annual (dollars).*

Note Data for 2015-16 are preliminary. The national and provincial tuition fee averages are weighted with the latest enrolment data (2012).

The average tuition rate for an undergraduate program in Alberta was $5,738 for the 2015-16 school year, which is less than the national average of $6,191. All told, the tuition and fees paid by Alberta students cover approximately 12 per cent of the cost of delivering apprenticeship programs and 26 per cent of the cost of other post-secondary programs.

Market Modifier Rollback

In addition to freezing overall tuition levels, government cancelled tuition increases in 25 programs at 10 institutions, which were previously approved under the market modifier provision of the Public Post-secondary Institutions' Tuition Fees Regulation. The equivalent of over 13,000 full time students would have been affected by the now-cancelled market modifiers. This decision has helped post-secondary education remain affordable for students across a wide variety of programs in the post-secondary system.

Priority Initiative 1.2

Restore funding to Alberta's post-secondary institutions to provide the stability needed to support quality education

Post-Secondary Funding

As part of its commitment to provide stable and predictable funding for the post-secondary system, the department increased base funding for post-secondary institutions by two per cent in 2015-16—an increase of $40.3 million over 2014-15. The government also provided institutions with $16 million in funding to cover the lost revenue associated with the tuition freeze and $22 million to cover the cancellation of the previously approved market modifier increases.

In total, Advanced Education provided over $2.2 billion in operating funding to publicly funded post-secondary institutions in 2015-16 to ensure a solid foundation for Alberta's advanced learning providers. The major components of funding provided by Advanced Education in 2015-16 are as follows:

Campus Alberta Grant	$2,055 M	Supports the delivery of approved credit programs, including apprenticeship programs and other programs that are designated for student financial assistance
Apprenticeship Technical Training Grant	$67 M	Supports the provision of apprenticeship technical training at Alberta's 11 technical training providers and is provided in addition to the Campus Alberta Grant
Targeted Enrollment Funding	$43 M	Increases learner access to a range of high-demand programs in fields such as engineering, occupational and physical therapy, and early learning and child care
Market Modifier Offset	$22 M	Replaces the lost revenue associated with the now-cancelled market modifier increases
Academic Health Centers	$21 M	Supports the recruitment and retention of clinical faculty at the University of Alberta and University of Calgary medical schools
Tuition Freeze Offset	$16 M	Covers the lost revenue associated with the tuition freeze
Health Workforce Action Plan	$14 M	Supports expanded health education program delivery for specified health professions forecasted to be facing shortages
Supports for Students with Disabilities	$10 M	Enhances institutions' capacities to accommodate students with disabilities

Capital Project Funding

The Government of Alberta has made significant investments in post-secondary infrastructure. In 2015-16, the Government of Alberta provided $162 million in funding to six major capital projects:

NAIT Centre for Applied Technology	$44 M
NorQuest College Expansion and Retrofit	$35 M
University of Calgary Schulich School of Engineering	$28 M
Mount Royal University Library and Learning Centre	$25 M
Lethbridge College Trades and Technology Renewal and Innovations Project	$20 M
MacEwan University City Centre Campus	$10 M

The government also provided institutions with $60 million for capital maintenance and renewal in 2015-16. Capital maintenance and renewal funding helps ensure that students have access to modern and high-quality learning environments.

NAIT Centre for Applied Technology

The Centre for Applied Technology, which broke ground in August 2013, is the largest capital project ever undertaken by the Northern Alberta Institute of Technology (NAIT) in Edmonton. Construction on the five-story Centre is expected to be complete for the start of the 2016-17 academic year. The Centre will have a measurable impact on the NAIT student experience by offering state-of-the-art classrooms, simulation labs and a 135-seat lecture theatre. It will increase enrolment capacity by 50 per cent in Health, Business, Engineering Technologies, and Sustainable Building and Environmental Management programs and will serve as an essential campus hub for 5,000 students a day. The Centre will also make more space available at the Main Campus for other programs in high demand, including trades.

Priority Initiative 1.3

Work with stakeholders to initiate a review of the adult learning system to ensure it is accessible, affordable and of the highest quality

Review of Adult Learning

Government is committed to examining important elements of the adult learning system, like governance, tuition and post-secondary funding. The purpose of reviewing these elements is to ensure that Alberta's adult learning system is accessible, of high quality and accountable to Albertans. The department is currently developing an approach to address these items in several stages, starting with tuition and fees.

University senates and the boards of governors at public post-secondary institutions will also be part of the third phase of the government's review of agencies, boards and commissions, which will look at the role, mandate and structure of these agencies in order to ensure efficient and effective governance practices are in place.

Priority Initiative 1.4

Enhance supports for adult learners to reduce barriers to education, improve Albertans' access to adult learning opportunities and encourage Albertans to engage in lifelong learning

Student Aid

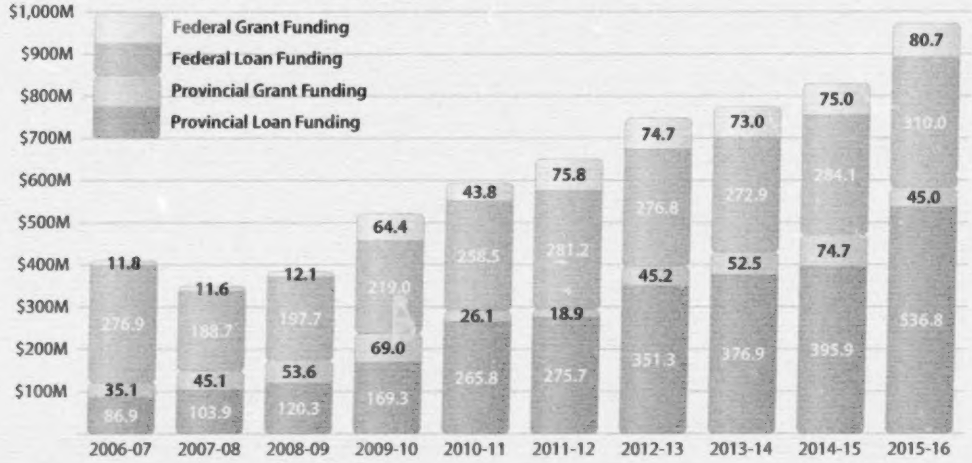
Student Aid Alberta develops and administers student loans, grants, scholarships and awards to support adult learners. The department strives to ensure Student Aid Alberta programs are relevant to Albertans, client focused and delivered effectively and efficiently. There are four main types of funding available through Student Aid Alberta.

- Repayable **student loans** help post-secondary students cover learning and living costs.
- Non-repayable **grants** help disadvantaged and low-income student loan borrowers cover costs.
- **Scholarships** encourage and reward academic excellence.
- **Awards** encourage and reward post-secondary students for leadership, community engagement and athleticism. A number of awards are also provided to attract and retain students from rural areas and to incent participation and progress in post-secondary education.

Loans and Grants

In 2015-16, Advanced Education provided over $536 million in Alberta student loans and $45 million in grants to support over 70,000 students. In addition to providing provincial funding, Alberta delivers the Canada Student Loans Program on behalf of the federal government. Alberta students received $310 million in federal loan funding and nearly $81 million in federal grant funding in 2015-16.

Loan and Grant Funding for Alberta Students

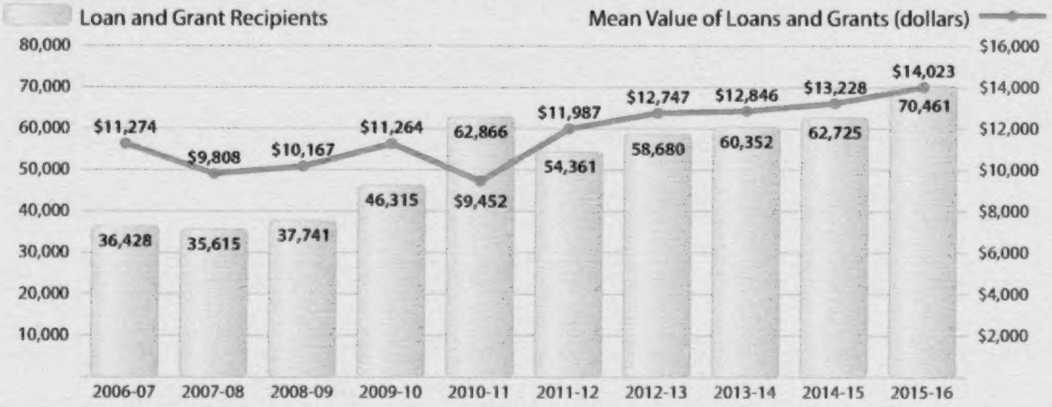


Source Advanced Education

Note Provincial loan and grant numbers from 2014-15 and 2015-16 are based on the ministry's audited financial statements. Numbers prior to 2014-15 are based on reports from the Student Finance System and may not be entirely comparable.

As a result of enhancements made to Student Aid programming in 2015-16, provincial loan funding increased by more than $140 million between 2014-15 and 2015-16. This substantial increase was achieved by reallocating funding between loans and grants. As part of this reallocation, grant funding was reduced by nearly $30 million this year, primarily through the elimination of the Completion Incentive Grant.

Loan and Grant Funding for Alberta Students: Number of Recipients and Mean Value



Source Advanced Education

Note Provincial loan and grant numbers from 2014-15 and 2015-16 are based on the ministry's audited financial statements. Numbers prior to 2014-15 are based on reports from the Student Finance System and may not be entirely comparable.

The total number of student aid recipients increased 12 per cent this year to just over 70,000 students and the average value of provincial and federal loans and grants distributed to students increased six per cent to just over $14,000.

Loan Repayment

Alberta student loan borrowers benefit from flexible repayment options and student loans are interest-free during a student's studies as well as six months after the borrower leaves studies. After the six-month grace period, the interest charged on Alberta student loans is set at the prime lending rate, which is the lowest rate of interest charged by most banks. Alberta also has programs in place to help students set up manageable repayment plans that match their income and family size. On average, more than 90 per cent of Alberta student loan dollars issued this year are expected to be repaid by post-secondary graduates.

Although student debt levels have increased over the past decade, income earned by post-secondary graduates has increased more. The median annual income for the graduating class of 2011-12 (surveyed in 2013) was 51 per cent higher than for the class of 2001-02, but the median debt level at the time of graduation was only 23 per cent higher (Graduate Outcomes Survey - Class of 2011-12, Final Report).

Student Aid Enhancements

A number of major enhancements were made to Student Aid programming in 2015-16 to improve access to post-secondary education by better targeting funding to students who face financial barriers and increasing aid to recognize actual costs faced by students.

- **Increasing loan limits and living allowances.** Loan limits and living allowances were increased for student loan borrowers to ensure students have sufficient funding for their tuition and costs of living. Prior to the increase, standard living allowances were roughly 25 per cent below the basic living costs faced by most students, and approximately 27 per cent of borrowers were reaching their maximum loan limit. To address this issue, annual loan limits were increased by $850 to $7,500 per semester.

- **Eliminating required spousal contributions.** A 2014-15 analysis found that 30 per cent of married students faced costs above what they received in student loans and grants. Also, approximately 4,000 student loan applicants a year were deemed ineligible or did not receive sufficient funding due to their spouse's income level. To enhance access for these learners, required spousal contributions were removed as an eligibility factor for receiving Alberta student loans. This change followed the elimination of required parental contributions as an eligibility factor in 2012.
- **Doubling the Low Income Grant.** To help more low income learners access post-secondary studies, the Alberta Low Income Grant was increased from $120 to $250 per month of study. This change is expected to benefit approximately 7,500 students.
- **Allowing apprentices to access loans.** An internal study from 2014 found that 66 per cent of apprentices said they faced financial barriers to attending technical training. To help apprentices overcome financial barriers, the Student Financial Assistance Regulation was amended to allow apprentices to access loans and grants through Student Aid Alberta.
- **Funding for Indigenous and northern students.** To encourage Indigenous Albertans to pursue and complete post-secondary studies, the ministry worked with public post-secondary institutions, First Nations colleges and Indigenous Relations to develop additional awards to benefit Indigenous Albertans who pursue post-secondary studies that lead to high-demand careers or graduate degrees. The ministry also worked in collaboration with the Northern Alberta Development Council to disburse 51 bursaries to First Nations, Métis and Inuit learners worth a total of $412,000.
- **Eliminating the Completion Incentive Grant.** Many of these enhancements were made possible by reallocating the Completion Incentive Grant, which awarded up to $2,000 to students who completed a credential. The grant was eliminated because several reviews found that it was poorly targeted. It was not provided on the basis of income, socio-economic status or financial need. It was also not particularly effective in incenting post-secondary students to complete their studies. Approximately 18,291 students received the Completion Incentive Grant in 2014-15, the last year in which it was awarded.

The total cost and number of students benefiting from each of these improvements was not available in time for publication in the 2015-16 report.

Indigenous Awards Pilots

The ministry introduced two new Indigenous awards pilots in 2015-16.

- The **Indigenous Careers Award** encourages Indigenous Albertans to pursue post-secondary studies that lead to high-demand career outcomes in Alberta. To be eligible for the award, applicants must be of Indigenous descent and be enrolled in a program that leads to a high-demand career (as identified by the Government of Alberta). Successful applicants are eligible to receive $2,000 per semester, up to a maximum of $4,000 in an academic year.
- The **Indigenous Graduate Award** encourages Indigenous Albertans to pursue graduate studies in Alberta. The award provides between $7,500 and $15,000 to Indigenous students enrolled in master's or doctoral programs.

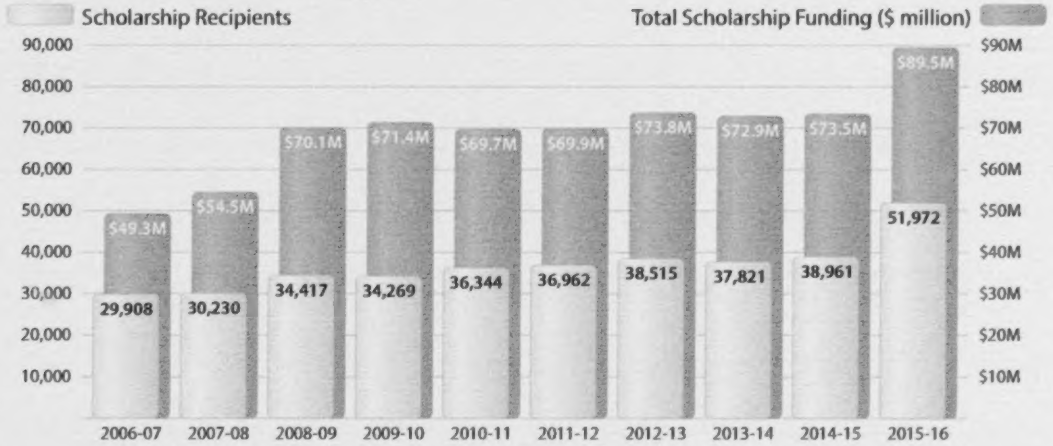
The new Indigenous awards benefited over 800 undergraduate students and nearly 100 graduate students in the 2015-16 academic year. Between the two awards, more than $4.2 million has been distributed to recipients so far.

In addition to the two new pilot awards, the ministry also provided $324,500 in funding to support 59 Indigenous students through the Aboriginal Health Careers Bursary and $254,000 in funding to support 68 Indigenous students through the First Nations Colleges Health Careers Award. Moving forward, these awards will be integrated into the Indigenous awards to better streamline program delivery and improve client services.

Scholarships and Awards

In addition to providing loans and grants, Student Aid Alberta rewards excellence in learning, leadership and other categories through Alberta scholarship and awards programs. In total, Student Aid Alberta administers 63 unique scholarships and awards recognizing the achievements of Alberta high school and post-secondary students. In 2015-16, over 50,000 Alberta learners received nearly $90 million in scholarships and awards. Compared to 2014-15, there was nearly a 22 per cent increase in the total value of scholarships and awards distributed and a 33 per cent increase in the number of recipients.

Provincial Scholarship and Award Funding



Source Advanced Education

Note Scholarship numbers from 2014-15 and 2015-16 are based on the ministry's audited financial statements. Numbers prior to 2014-15 are based on reports from the Student Finance System and may not be entirely comparable. The scholarship count from 2015-16 does not include figures from Athabasca University or Concordia College.

Alexander Rutherford High Achievement Scholarship

The Alexander Rutherford High Achievement Scholarship recognizes and rewards academic achievement at the senior high school level and encourages students to pursue post-secondary studies. Through the award, students who achieve a minimum average in Grade 10, 11 or 12 and go on to enroll in a post-secondary or apprenticeship program are eligible to receive up to $2,500.

Starting in 2015-16, students were able to apply for the Alexander Rutherford scholarship online through the Student Aid Alberta website: studentaid.alberta.ca. This change helped drive a 30 per cent increase in the number of Rutherford scholarships awarded. Over 17,000 students were recipients of the scholarship in 2015-16, up from 13,000 in 2014-15.

Learning Clicks

Learning Clicks is a peer-to-peer post-secondary awareness program that helps Grade 5-12 students, parents and teachers learn about post-secondary education—what it is, why it's important and how to plan for it. Learning Clicks ambassadors visit schools across the province to deliver interactive classroom presentations, share stories about their own experiences and provide valuable information on topics such as student aid funding, career planning and student life.

Between September 1, 2015 and April 1, 2016, Learning Clicks ambassadors connected with more than 15,000 Grade 5-12 students through nearly 600 presentations. Approximately 14 per cent of the students reached were from rural communities and 16 per cent of those rural presentations were in Indigenous communities.

Over the past decade, 90 per cent of Learning Clicks presentation participants surveyed agreed that the program encouraged them to attend post-secondary education and 92 per cent reported that it helped them understand their options. A 2014-15 survey conducted by the Ministry of Education also found that 76 per cent of provincial high school graduates and 77 per cent of Indigenous high school graduates said Learning Clicks helped influence their decision to pursue higher education.

In April 2016, Learning Clicks expanded its successful peer-to-peer planning model by launching a modernized website (learningclicks.alberta.ca), which was designed based on feedback from students asking for content that addressed real-life issues. Using the new website, students can connect directly with ambassadors, read inspiring stories from other students and access valuable tools and resources to plan their futures. The ministry budgeted $300,000 to develop the new Learning Clicks website. It ultimately cost just under $250,000.

Community Adult Learning Program

Adult literacy, numeracy, proficiency in the English language, foundational life skills and the ability to engage with basic technology are core skills Albertans need to participate in society, pursue further learning and be successful at work. While adult Albertans score above the Canadian average in literacy and numeracy, one in five Albertans still face daily literacy and numeracy challenges (Programme for the International Assessment of Adult Competencies 2013).

To help adult Albertans acquire the foundational skills needed to thrive, Advanced Education provided $14 million in funding to 130 community-based organizations through the Community Adult Learning Program in 2015-16. This funding was used to support part-time, primarily non-formal, non-credit literacy and foundational learning opportunities in over 430 communities across the province. An additional $1.2 million was provided to support the professional development of Community Adult Learning Program staff.

New Community Adult Learning Program Guidelines

New program guidelines for the Community Adult Learning Program went into effect in 2015-16. The new guidelines, which are built upon a logic model and outcomes measurement framework, identify four clear outcomes to guide the program.

- Adult learners are proficient in foundational skills.
- Adult learners participate in further learning opportunities.
- Adult learners navigate the learning system.
- Adult learners benefit from learning opportunities within their communities.

Data measuring progress towards these outcomes will be available in early 2017.

Program data from 2015-16 was not available at the time of publication, but data from 2014-15 shows that the 4,893 volunteers and 225 full-time staff involved in Community Adult Learning Program provided over 49,234 learning opportunities that year. While there were 13 per cent fewer total learning opportunities in 2014-15 than in 2013-14, the number of hours learners spent in the classroom increased by nearly one-third. This change reflects the Community Adult Learning Program's increased focus on providing literacy and foundational learning programming, which is more time- and resource-intensive than employment and community issues programming (as seen in the table below).

Community Adult Learning Program Statistics, 2014-15

Program Area	*Hours*	*Learning Opportunities*	*Hours per Learner*
English Language Learning	74,376	9,888	8
Adult Basic Literacy	43,268	6,250	7
Family Literacy	12,075	4,313	3
Employability Enhancement	18,405	10,357	2
Community Issues	18,917	18,245	1

Source Advanced Education

Note Programming offered through the Community Adult Learning Program is part-time, and primarily non-formal.

Refugee Language and Support Grant

Developing English language skills is particularly important for newcomers to Alberta, as it helps them settle into local communities, reduces barriers to employment and allows them to become full participants in society.

Through the new Refugee Language and Support Grant, the department provided $2 million in grants to 19 Community Adult Learning Program providers and three Comprehensive Community Institutions—Bow Valley College, Medicine Hat College and NorQuest College. This grant supports English language development and provides other supports for refugees arriving in Alberta's five federally-recognized refugee reception cities, as well as communities that receive refugees through secondary migration.

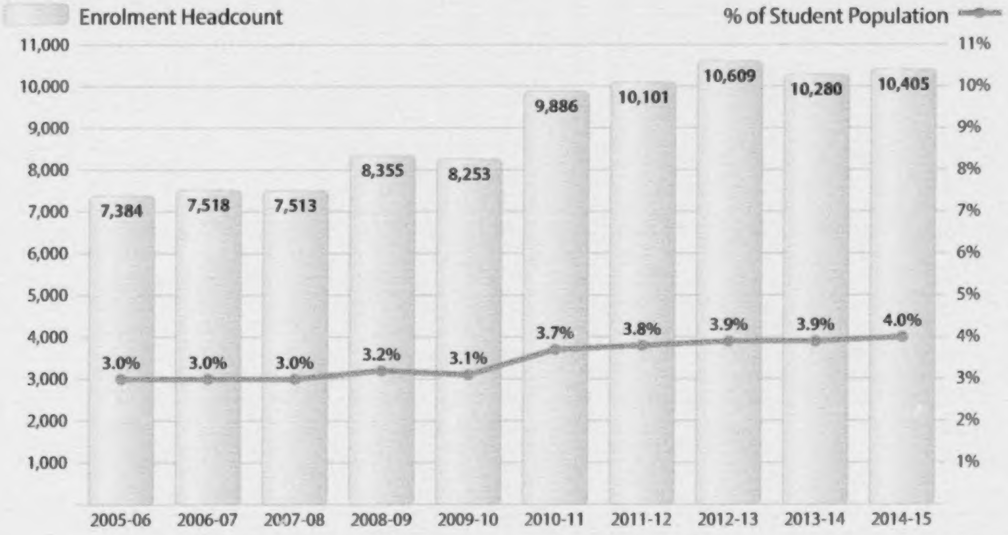
Priority Initiative 1.5

Work in partnership with Alberta's Indigenous peoples to ensure the right supports are available to Indigenous learners

Alberta's Indigenous population is younger and growing faster than the province's non-Indigenous population. It also has lower post-secondary attainment rates.

To enhance learner success, Advanced Education worked with Indigenous Relations, Human Services and Labour to increase the number of Indigenous learners participating in adult learning and achieving program learning outcomes. This work aligned with the Government of Alberta's support for the *United Nations Declaration on the Rights of Indigenous Peoples*, which identifies the elimination of educational gaps between Indigenous and non-Indigenous peoples as one of its goals.

Aboriginal Student Enrolment



Source Advanced Education

Note Since Aboriginal students self-identify on post-secondary applications forms, data may underestimate Aboriginal enrolments. Enrolment numbers include apprentices enrolled in technical training at a publicly funded post-secondary institution, but they do not include data from The Banff Centre.

While enrolment data for 2015-16 was not available at the time of publication, approximately 10,000 Aboriginal students were enrolled in Alberta's publicly funded post-secondary institutions in 2014-15. The overall proportion of Aboriginal students in the total student population now sits just below 4 per cent. However, this figure may understate the actual number of Aboriginal learners attending post-secondary institutions, as it only captures those students who self-identify as Aboriginal on post-secondary application forms. The ministry also does not collect data on students attending First Nations, Métis or Inuit colleges. According to the last census (2011), there was a total of 220,695 Aboriginal people in Alberta, comprising 6.2 per cent of the province's population.

First Nations College Grant

Alberta's five First Nations colleges serve the literacy and learning needs of 17 First Nations and surrounding communities. Since 2014-15, each of Alberta's First Nations colleges has received $640,000 in annual operating funding through the First Nations College Grant to support initiatives and activities that enhance basic skills, increase access and improve retention and learning outcomes for students. Of the $640,000 provided by the ministry, $200,000 is earmarked for literacy initiatives. By providing regular ongoing funding—rather than proposal-based funding as was done in the past—the department has enabled First Nations colleges to engage in better long-term planning.

Expanding the Community Adult Learning Program to All Métis Settlements

In a cost-matching agreement with Indigenous Relations, Advanced Education expanded the Community Adult Learning Program into the Paddle Prairie, East Prairie, Peavine, Gift Lake and Elizabeth Métis settlements in 2015-16.

As a result of this expansion, literacy and foundational learning opportunities were provided in all eight of Alberta's Métis settlements in 2015-16. This expansion has helped ensure that non-credit, non-formal adult learning needs are being locally met in all Métis settlements in Alberta. Approximately 5,000 people live in Alberta's eight Métis settlements.

Other Initiatives

Enhancing Affordability

Campus Alberta Open Educational Resources Initiative

To help reduce the costs associated with post-secondary education, Advanced Education invested $2 million to support the development and use of open educational resources within the province in 2014-15.

Open educational resources provide more accessible, flexible and cost-effective learning opportunities than traditional textbooks. These resources include materials such as electronic textbooks, lesson plans and multi-media resources that are free of copyright royalties or license fees. Open educational resources benefit students by helping them access the resources they need to achieve academic success. Research from other jurisdictions indicates that without access to affordable educational resources, approximately one-fifth of students choose not to purchase required textbooks.

To date, the Campus Alberta Open Educational Resources Initiative has already supported the creation or adoption of 15 open educational resource projects by Alberta post-secondary institutions. The remaining funding is being used to encourage the adoption of existing open educational resources, build capacity for open education within institutions, convert paid resources to free resources and incent faculty members to conduct peer reviews of existing open educational resources to demonstrate their quality.

An evaluation of the government's investments in open educational resources will be conducted in 2016-17.

Other Initiatives

Ensuring Quality

Program Approval Process

Under the *Post-secondary Learning Act* and the Programs of Study Regulation, all new degree programs offered in Alberta must go through a two-stage review process. The first stage of the review, conducted by the department, looks at whether proposed programs align with the needs of the post-secondary system. The second stage of the review, conducted by the Campus Alberta Quality Council, assesses whether programs have sufficient breadth and rigor to meet national and international standards.

Post-Secondary Outcomes

According to a 2014 survey of post-secondary graduates from the class of 2011-12, overall satisfaction with Alberta's post-secondary system remains high with 92 per cent of respondents expressing satisfaction with their overall educational experience. The majority of students who participated in the 2014 survey also expressed satisfaction with:

- the quality of teaching they experienced (91 per cent) and
- the quality of their chosen program (90 per cent).

Additionally, almost nine out of 10 graduates (88 per cent) would recommend their program of study to someone else, and almost all graduates (96 per cent) who were in the labour force were employed two years after graduation.

Source Graduate Outcomes Survey – Class of 2011-12, Final Report

Private Career Colleges

Career training at private career colleges provides students with specialized skills and knowledge to prepare them for employment in a specific field. At the end of 2015-16, there were 155 private career colleges in Alberta offering 841 licensed career training programs preparing students for employment in fields ranging from health and business to heavy equipment operation and dog grooming.

The training programs offered by these colleges add to the array of post-secondary options available for students in Alberta, as they meet the needs of students seeking shorter-term, career-focused training.

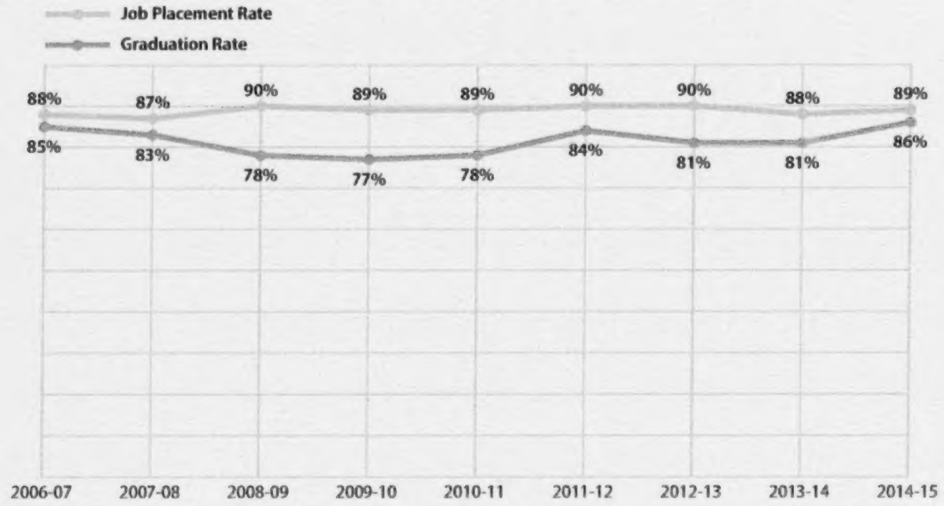
Demographic Profile of Private Career Colleges

- Over 16,000 students attended a private career college in 2014-15.
- A large majority (89 per cent) of the graduates of private career colleges are female, except in the case of physical, natural and applied sciences programs.
- Six per cent of graduates self-identify as Indigenous and nearly one in four consider themselves to be a member of a visible minority.

Source Advanced Education and Graduate Outcomes Survey – Class of 2011-12, Private Vocational Institutions Final Report

To provide consumer protection to students enrolled at private career colleges, vocational programs offered by private institutions must be licensed by the ministry in accordance with the *Private Vocational Training Act* and its associated regulations. As part of their licensing requirements, private career colleges must submit annual reports to the ministry that include information on the graduation and job placement rates of their students. If programs offered by private career colleges fail to maintain graduation and job placement rates above 70 per cent for four consecutive reporting periods, they face a variety of consequences, including potential license cancellation.

Graduation and Job Placement Rates of Licensed Career Training Programs in Alberta



Source Advanced Education

Note Graduation and job placement figures for 2015-16 were not available in time for inclusion in the annual report.

As seen above, the graduation rate of licensed career training programs was 86 per cent in 2014-15 and the job placement rate was 89 per cent—well above the 70 per cent baseline set out in ministry policy. Additionally, a 2013 survey of graduates from 39 private career colleges found that nearly four-fifths (79 per cent) reported being satisfied with the overall quality of their program, three-quarters (75 per cent) would recommend their program to others and over two-thirds (68 per cent) agreed their program was worth the financial cost (Graduate Outcomes Survey - Class of 2011-12, Private Vocational Institutions Final Report).

Other Initiatives

Safe and Healthy Campus Communities

Student Mental Health Funding

The mental well-being of post-secondary students is important to the government. The National College Health Assessment Survey, which was conducted at four Alberta institutions in 2013, found over half of students (52 per cent) reported feeling hopeless, more than a third (36 per cent) felt so depressed it was difficult to function, 8.4 per cent seriously considered suicide and 1.1 per cent attempted suicide.

To build healthy campus communities and enhance students' access to mental health services, the Ministry of Health provided $1,000,000 each to the University of Alberta, University of Calgary, University of Lethbridge and the Alberta Students' Executive Council in 2015-16. This funding was used to raise awareness of mental health issues, enable campus-wide approaches to mental well-being, and support the salaries of counsellors, community outreach social workers and psychologists. Advanced Education also provided $250,000 each to Mount Royal University and MacEwan University for a similar purpose.

Moving forward, Advanced Education announced $3.1 million to continue these services until July 2017. Advanced Education and the Ministry of Health are also working collaboratively to develop a long-term solution to support accessible addiction and mental health services for Alberta students.

"I Believe You" Campaign

Sexual assault affects thousands of Albertans each year, yet only one in 10 survivors reports the crime to the police. Many survivors suffer in silence, often because they do not get a positive response when they tell someone about their experience.

Launched in August 2015, the "I Believe You" campaign looked to change the culture around the issue of sexual assault and help victims come forward without fear. Government ministries and arms-length entities, including Advanced Education and the 26 publicly funded post-secondary institutions, supported the campaign, which was led by the Association of Alberta Sexual Assault Services.

Other Initiatives

Efficiency and Effectiveness

Agencies, Boards and Commissions Review

To improve services and ensure that public agencies are operating effectively, efficiently and providing value for Albertans, the government is in the process of reviewing Alberta's agencies, boards and commissions. Phase one of the review, which included six organizations that fall under the umbrella of Advanced Education, was completed in April 2016. Of the six Advanced Education entities reviewed, the Apprenticeship and Industry Training Board was maintained and the others were put over for further review, including the Students Finance Board, Campus Alberta Quality Council, Access Advisory Council, Alberta Heritage Scholarship Committees and Alberta Council on Admissions and Transfer.

Moving forward, university senates and the boards of governors at public post-secondary institutions will be examined as part of the third and final phase of the review.

Board Recruitment and Appointments

In addition to conducting a review of its agencies, boards and commissions, the department continues to examine and monitor its board recruitment and appointment processes to ensure that its boards reflect Alberta's diversity. To this end, the ministry expanded its recruitment efforts by leveraging social media and other communications tools to reach a more diverse group of stakeholders and applicants. Data indicates that applicants per recruitment have increased since enhanced recruitment methods were introduced.

There are a total of 341 board opportunities across the post-secondary sector. Between April 2015 and March 2016, the department posted 17 board positions and received 431 applications.

Alberta Centennial Education Savings Plan Closure

Launched in January 2005, the Alberta Centennial Education Savings Plan was created to encourage parents—particularly those from low-income families—to plan and save for their children's post-secondary education. The program was closed in 2015-16 after several program reviews found that the savings plan was not effective at encouraging low-income families to open a Registered Education Savings Plan (RESP) for their children's education. This is partly because RESP programs are challenging for low-income families to access. On average, only 30 per cent of the grants distributed by the plan were given to low-income families. The total cost of the program in 2014-15, its last full year of operation, was $19 million.

While the plan is now closed, any grants previously provided to Alberta families remain in their RESPs. Alberta families also continue to have access to the federal government's Canada Education Savings Plan and the Canada Learning Bond.

Other Initiatives

Post-Secondary Labour Relations

Right to Strike

A 2015 Supreme Court of Canada decision found that the right to strike is fundamental to the collective bargaining process and is constitutionally protected by the *Canadian Charter of Rights and Freedoms*. Following this decision, the Government of Alberta consulted with public sector stakeholders about how to implement the right to strike. As part of these consultations, Advanced Education met with academic staff associations, graduate student associations and public post-secondary institutions about how to implement the right to strike in the post-secondary sector. Feedback was also collected from undergraduate students' associations and the public about the potential impact of strikes and lockouts at public post-secondary institutions.

This initial consultation raised a number of issues requiring further discussion, as Alberta's post-secondary labour relations model is unique. To ensure that the right to strike is implemented in a way that respects the distinctive character of the post-secondary sector, the ministry is conducting further consultations with post-secondary stakeholders before making any changes to the *Post-secondary Learning Act*.

Other Initiatives

International Learning

International Learning Grants

The ministry distributed $650,000 to fund the participation of 525 Alberta students in international study abroad programs in 2015-16. Through these programs, Albertans are able to acquire the competencies necessary to support economic diversification and growth and business creation and attraction, and to successfully participate in an increasingly interconnected world.

Major programs supported include the Washington Center Alberta Internship Program, the Alberta-Smithsonian Internship Program and the Campus Alberta Grant for International Learning.

The Washington Center Alberta Internship Program

"My time in D.C. has exceeded my expectations in every way possible. The Washington Center matched me with an internship that perfectly suited my interests and goals, and allowed me to log over 480 hours of observation and hands-on experience in my field of study. My internship reaffirmed my desire to teach and helped me develop a greater understanding of educational policy and classroom management. My favorite aspect of my internship was the independence and life experience I gained living in another country. I can't wait to visit my roommates in Korea and Mexico in the coming years! The Washington Center provided a multitude of opportunities for me to develop both professionally and personally, and I'm excited to take those experiences back to Alberta, and one day, into my own classroom."

Kendra Thompson, Concordia University of Edmonton

i@home

In addition to supporting study abroad opportunities, the ministry launched a new initiative to pilot cost-effective approaches to internationalizing Alberta classrooms, science curriculums and students. Through the new i@home program, professors and instructors in science faculties are eligible for grants of $6,500 to help integrate international perspectives and research in their classes and to provide students with the opportunity to network with international peers.

It is hoped that the networking opportunities created by the i@home program will lead to future collaboration, innovation and research with international partners. To date, the ministry has committed $145,000 to the i@home pilot.

Initiatives Supported by the i@home Pilot

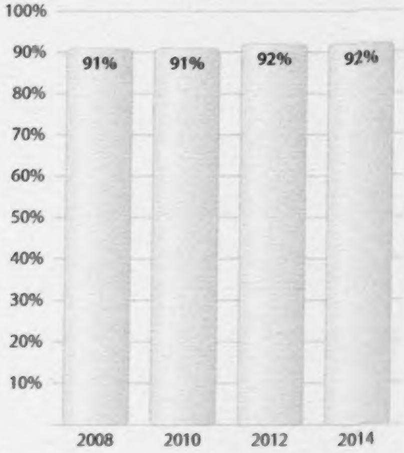
- Alberta students from Athabasca University are studying sustainable building practices in architecture alongside their Mexican peers from Tecnologico de Monterrey.
- Northern Alberta Institute of Technology students are working with Turkish students at Middle East Technical University to explore instrumentation in chemical engineering.
- Students at Red Deer College are studying microbiology alongside Indian students from St. Xavier's College in Kerala.

Desired Outcome 1

An accessible, affordable, quality and stable post-secondary system ensures Albertans reach their full potential

Performance Measure 1.a

Satisfaction of Recent Post-Secondary Graduates with the Overall Quality of their Educational Experience



Source Graduate Outcomes Survey – Class of 2011-12, Final Report

Endnote A, C

Rationale This measure indicates how satisfied graduates from Alberta's 25 publicly funded post-secondary institutions are with their educational experience. It includes graduates from certificate, diploma, bachelor, master's and doctorate programs.

Graduates' satisfaction with the overall quality of their education reflects a number of aspects of their learning experience, including their perception of professors, curriculum, skill development and personal growth. It also reflects how the results they achieved align with their personal preferences and life goals.

Target No target was set in 2015-16, as the survey is only conducted biennially. New data is expected to be available in fall 2016.

Discussion In 2014, the last year the survey was conducted, 92 per cent of graduates reported being satisfied with the quality of their post-secondary education, which is consistent with results from previous years.

Note Data comes from the Graduate Outcomes Survey, which is commissioned biennially by Advanced Education. The survey includes graduates from 25 Alberta publicly funded post-secondary institutions. Graduates of parchment programs are surveyed two years after their graduation. The margin of error for this survey is ±1.0%, at the 95% confidence level.

The survey design changed between 2006 and 2008 from a five-point scale to a four-point scale. As a result, survey results prior to 2008 cannot be compared with those from 2008 and after.

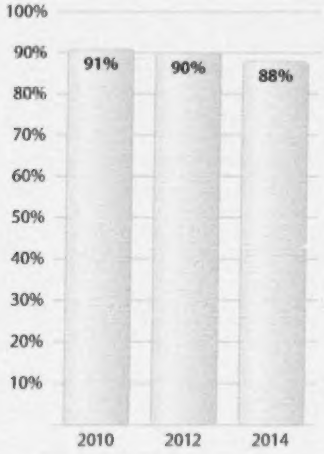
See Endnotes A and C for more detail on the Graduate Outcomes Survey and sampling considerations.

Desired Outcome 1

An accessible, affordable, quality and stable post-secondary system ensures Albertans reach their full potential

Performance Measure 1.b

Percentage of post-secondary transfer graduates satisfied with the transfer credit they received



Source Graduate Outcomes Survey – Class of 2011-12, Final Report
Endnote A, C

Rationale Graduate satisfaction with transfer credit received is one indicator of the ease with which students are able to move between institutions, pursue multiple credentials or return to school. Potential factors impacting this measure include:

- the ease of accessing information about credit transfer processes;
- the effectiveness, transparency and complexity of credit transfer applications; and
- the level of credit transfer coordination between and within institutions.

Target No target was set in 2015-16, as the survey is only conducted biennially. New data is expected to be available in fall 2016.

Discussion On average, graduates are very satisfied with the transfer credit they received. Satisfaction levels have fluctuated around 90 per cent over the last several years.

Note Data comes from the Graduate Outcomes Survey, which is commissioned biennially by Advanced Education. The survey includes graduates from 25 Alberta publicly funded post-secondary institutions. Graduates of parchment programs are surveyed two years after their graduation. The margin of error for the Graduate Outcomes Survey is ±1.0% at the 95% confidence level. However, as the respondents to the survey question used to report on this performance measure were a subset of respondents to the Graduate Outcomes Survey— those who indicated they had received transfer credit—the margin of error for this measure cannot be precisely calculated, but is instead estimated at ±2.0% at the 95% confidence level.

The question about transfer credit satisfaction was first added to the Graduate Outcomes Survey in 2010.

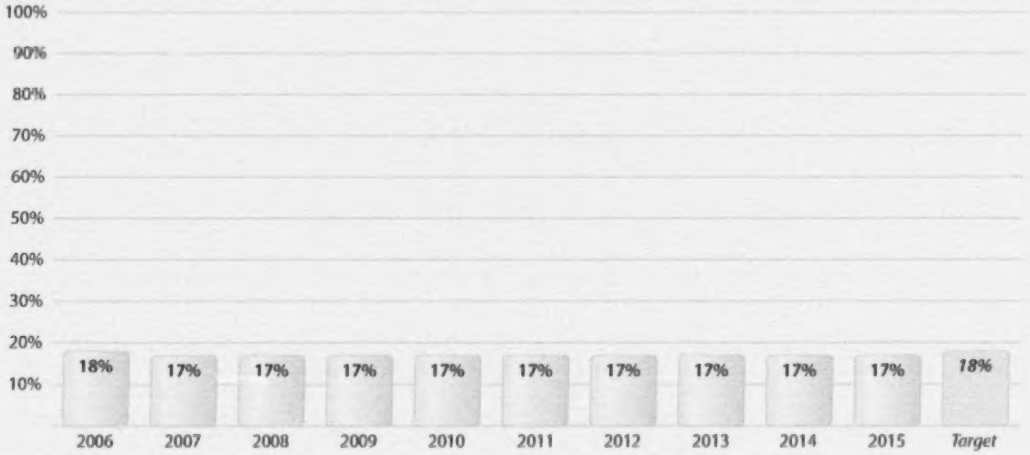
See Endnotes A and C for more detail on the Graduate Outcomes Survey and sampling considerations.

Desired Outcome 1

An accessible, affordable, quality and stable post-secondary system ensures Albertans reach their full potential

Performance Measure 1.c

Percentage of Albertans aged 18-34 participating in post-secondary education



Source Statistics Canada, Labour Force Survey, Special tabulation

Endnote D

Rationale The benefits of post-secondary education are well documented. As educational achievement increases, people are more likely to participate in the labour force, earn higher wages over their lifetime and have better health outcomes.

To foster a well-educated adult population, the ministry supports and implements many initiatives directed at increasing participation in post-secondary learning, including:

- raising awareness of post-secondary learning opportunities;
- supporting program and infrastructure capacity at post-secondary institutions;
- facilitating the mobility of learners through mechanisms like the Alberta Transfer System and the Red Seal Program for apprentices; and
- addressing financial barriers that may impact participation by providing student financial assistance and scholarships.

The post-secondary participation rate provides an indication of the government's success in fostering a well-educated population. The post-secondary participation rate is, however, a complex measure that is influenced by factors other than ministry activity, such as the in-migration of already credentialed workers and changing labour market conditions.

Target For the past nine years, the percentage of Albertans aged 18-34 participating in post-secondary programs has not deviated significantly from 17 per cent. Based on this stability, targets were set to increase incrementally from the last result achieved. This increase strikes a balance between the ministry's efforts to increase post-secondary participation and those factors that put downward pressures on participation rate.

Discussion In 2015-16, 17 per cent of Albertans aged 18-34 participated in post-secondary programs. While this result is below the ministry's target of 18 per cent, the difference is not considered to be material, as it is not statistically significant.

Note Data comes from Statistics Canada's Labour Force Survey, which is a monthly, Canada-wide survey of a representative sample of households in the provinces and territories. The coefficient of variation (a relative measure of margin of error) for this measure was ±3.2% in 2015.

See Endnote D for more detail on the Labour Force Survey.

Desired Outcome 2

Apprentices have access to flexible training options in order to reduce barriers to successfully participating in a changing labour market

Priority Initiative 2.1

Restore funding for apprenticeship technical training and ensure sufficient technical training seats are available

Apprenticeship Funding

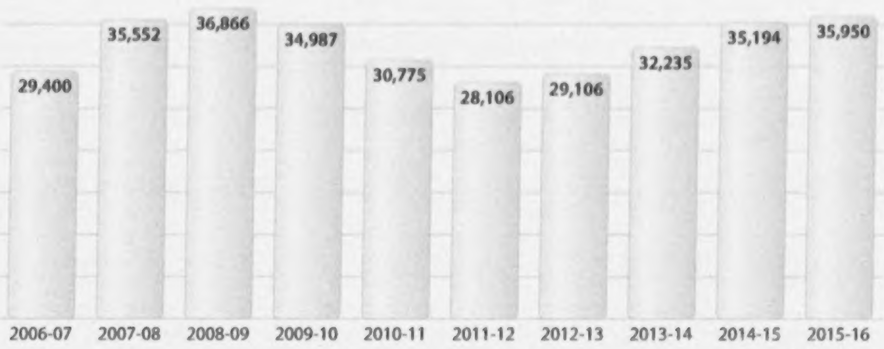
To support the provision of technical training, the ministry provided Alberta's technical training providers with approximately $67 million through the Apprenticeship Technical Training Grant in 2015-16. This funding specifically supports apprenticeship training and is in addition to the operating funding already provided to publicly funded institutions through the Campus Alberta Grant.

Approximately 20 per cent of an apprentice's training is done through formal technical training at an institution, while the other 80 per cent is provided on the job under the supervision of a certified journeyperson.

Technical Training Enrolment

Government continuously monitors the demand for technical training seats in all trades and makes adjustments in the number of seats and location of training as needed. It also works with the Alberta Apprenticeship and Industry Training Board to encourage industry partners to be proactive in hiring and training apprentices and to implement strategies to support and encourage apprentices to progress and complete their programs. Nearly 36,000 technical training seats were offered in 2015-16.

Technical Training Seats Offered



Source Apprenticeship and Industry Training, Advanced Education

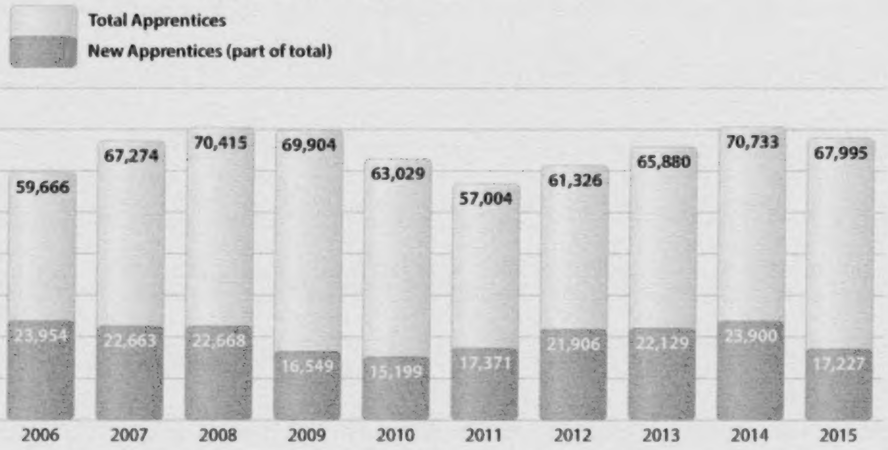
Note Figures do not include seats in bridging programs. Figures do not include Delmar College, Marvel College, the Eveline Charles Academy or other private training providers. Figure for 2015-16 is as of April 26, 2016.

Total and New Apprentices Registered

At the end of 2015, there were almost 68,000 registered apprentices in Alberta—including over 17,000 new apprentices, approximately 3,300 Indigenous apprentices and more than 6,200 female apprentices. While there was a 28 per cent decline in new apprenticeship registrations between 2014 and 2015, this was consistent with the 27 per cent decline experienced during the last economic downturn between 2008 and 2009.

Moving forward, the ministry is exploring options to encourage Albertans to consider a career in the trades and to encourage current apprentices to continue their training and complete their program.

Total and New Apprentices Registered (All Trades)



Source Advanced Education

Note **Total Apprentices Registered**: the total number of registered apprentices is as of December 31, 2015. Apprentices may be registered in more than one trade or branch of a trade within the same year but are counted here only once.

New Apprentices Registered: all apprentices registering during a single calendar year. The number includes those who are returning to do an additional apprenticeship after completing one or more apprenticeships in previous years, or continuing an apprenticeship in another trade for which they registered in a previous year. Apprentices who registered in more than one trade or branch of a trade within a specific year, or who changed from one branch of a trade to another branch within the same trade on the same day, are counted only once. The number does not include reinstated apprentices (unless reinstated in the same year).

Priority Initiative 2.2

Support a pan-Canadian Apprenticeship Mobility Protocol to facilitate the ability of Alberta's apprentices to acquire work experience towards their certification anywhere in Canada

Alberta has a longstanding practice of recognizing apprentices from other Canadian jurisdictions and working with other jurisdictions to facilitate the interprovincial mobility of apprentices. Increased mobility benefits apprentices by expanding their options when looking for work. Labour mobility is also a key element to improving labour market efficiency and responsiveness, which contributes to innovation, productivity and growth.

Provincial-Territorial Mobility Protocol

On July 16, 2015, Canada's Premiers signed the Provincial-Territorial Apprentice Mobility Protocol to improve the mobility of the roughly 350,000 apprentices in Canada. Under the Protocol, work experience and training completed in one jurisdiction will be credited towards an apprenticeship registered in another jurisdiction.

The Provincial-Territorial Apprentice Mobility Protocol covers three different scenarios:

- apprentices transferring permanently to another jurisdiction;
- apprentices transferring temporarily to another jurisdiction, meaning they will work temporarily in another jurisdiction while still registered in the home jurisdiction where they ordinarily reside; or
- individuals who have completed a pre-apprenticeship program in one jurisdiction and want to register in an apprenticeship program in another jurisdiction.

While the pan-Canadian Agreement on Internal Trade already provides complete labour mobility for certified trades professionals across Canada, some apprentices previously faced barriers if they wanted to gain recognized work experience towards their certification outside of their home province. The Protocol seeks to remove these barriers and commits all provinces and territories to recognizing apprenticeship training and pre-apprenticeship training completed in each other's jurisdiction.

The Protocol will benefit Alberta apprentices and industry by improving the supply of skilled tradespeople available and allowing apprentices to pursue training opportunities that may be more readily available outside of their home province.

Apprenticeship Harmonization Initiative

The Interprovincial Standards Red Seal Program is the Canadian standard of excellence for skilled trades, established for certain trades that are common to most jurisdictions in Canada. The department is currently in the process of consulting frontline trades professionals to promote greater consistency for 30 Red Seal trades based on strategic direction from the Canadian Council of Directors and Apprentices. The objective of this initiative is to enhance the mobility of apprentices and increase apprenticeship completion rates.

Alignment of the 30 trades—which cover approximately 90 per cent of Canadian apprentices—will be carried out in several phases.

Priority Initiative 2.3

Modernize program delivery of the apprenticeship and industry training program through the development and implementation of technology and online services

Digital Individual Learning Modules

Between March and June 2015, Advanced Education ran a pilot program in which it offered digitally formatted individual learning modules to over 2,000 apprentices in the heavy equipment technician, plumber and cook trades. The digital modules were provided in addition to the hard copy versions traditionally used by apprentices. The purpose of the pilot was to test apprentices' appetite for digital resources, as initial research conducted by Apprenticeship and Industry Training suggested that about 65 per cent of learning module users would like to access digital training content.

The overall response to the pilot program was positive. A participant survey conducted after the completion of the pilot found that 73 per cent of the respondents said they would prefer to buy packages with both print and digital versions of their individual learning modules. A number of respondents also indicated they planned to save the digital individual learning modules for later reference by keeping them on a tablet in their toolbox or on a flash drive.

Moving forward, the ministry is in the process of transferring responsibility for administering, updating and distributing individual learning modules to a consortium of public post-secondary institutions. This consortium will also be responsible for digital individual learning modules. This work is expected to be completed in 2016.

MyTradesecrets Website

The MyTradesecrets website was launched in April 2013 to provide Apprenticeship and Industry Training clients with online access to apprenticeship services, such as the status of an application, class grades and schedules, and access to the record books that track apprentices' progress.

Since its initial launch in 2013, MyTradesecrets has received over 2.1 million visits. Since online applications and payments were introduced in August 2014, over 15,000 online applications have been submitted to Apprenticeship and Industry Training and over 12,500 online payments have been processed. Between 2014-15 and 2015-16, there was a 43 per cent increase in visits to MyTradesecrets.

A new feature was added to MyTradesecrets in 2015-16 allowing apprentices to view the availability of classes online. This upgrade is the first step in creating an online registration system for apprenticeship classes.

Modernization of Client Services

As of February 19, 2015, Apprenticeship and Industry Training (AIT) ceased printing and mailing correspondence to apprentices. Apprentices now receive an email notification when they have new correspondence, which they then access through their MyTradesecrets account. Electronic correspondence allows for timely and efficient communication with apprentices, the reallocation of staff resources and cost savings. Prior to the switch, AIT had been sending up to 47,000 pieces of correspondence per month. Apprenticeship and Industry Training will transition to electronic correspondence with employers in the coming year.

Alberta Apprenticeship and Industry Training also launched a modernized, central telephone system for apprentices, employers and stakeholders this year. The new phone system creates a one-window approach for clients to improve service levels, accessibility and consistency. Clients are able to reach AIT staff using a toll-free number (1-800-248-4823) from anywhere in North America.

With the help of the new system, the department is working toward achieving the following province-wide service standards:

- **Abandoned Call Rate** – less than 10 per cent
- **Service Level** – 80 per cent of calls answered within 20 seconds
- **Average Handling Time** – less than four minutes
- **Return Phone Calls** – 100 per cent within 24 hours

Other Priorities

Ensuring Quality

Alberta Apprenticeship and Industry Training System

Alberta's apprenticeship and industry training system relies on an extensive network of approximately 160 committees and more than 700 individual industry representatives from grassroots industry through to the Alberta Apprenticeship and Industry Training Board. The committees are composed of equal numbers of employers and employees.

Each committee's role includes recommending the standards for the skills and competencies required for certification, establishing technical training course outlines, recognizing related training and certification and making recommendations about the designation of trades and occupations.

When surveyed in 2014 and 2015, 79 per cent of members either agreed or strongly agreed that their committee's work was contributing to positive change in their trade or occupation.

Satisfaction with the Apprenticeship System

According to a 2012 survey of employers, overall satisfaction with Alberta's apprenticeship and trade certification system remains high with 92 per cent of respondents expressing satisfaction with the system.

The majority of employers who participated in the 2012 employer survey expressed satisfaction with:

- the skills of certified journeypersons (95 per cent);
- apprenticeship technical training (86 per cent); and
- the effectiveness of on-the-job training (96 per cent).

Source Survey of Employer Satisfaction with Apprenticeship and Skilled Tradespersons, 2012

Other Priorities

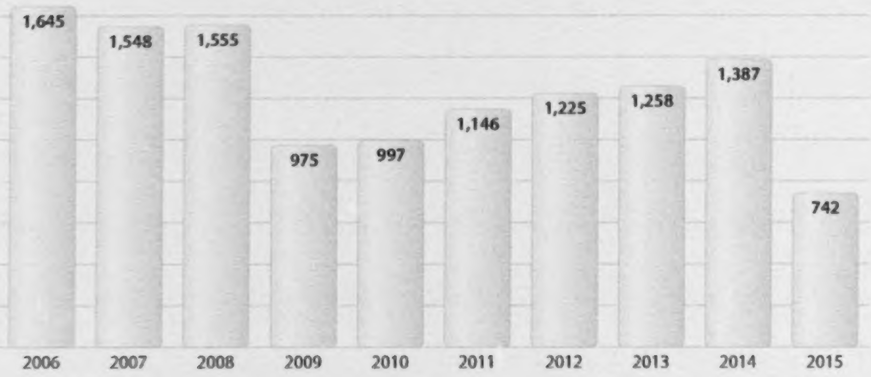
Encouraging Transitions

Registered Apprenticeship Program

While in high school, students can become apprentices through the Registered Apprenticeship Program (RAP). In RAP, students obtain on-the-job training and work experience as credit towards both an apprenticeship program and a high school diploma while earning an income. As of December 31, 2015, there were:

- more than 850 high school students enrolled in RAP,
- more than 3,000 apprentices who started RAP in high school and are continuing on in a regular apprenticeship program, and
- over 4,200 certified tradespeople who began their apprenticeships through RAP.

New Registrants in the Registered Apprenticeship Program



Source Advanced Education

Between 2014 and 2015, there was a 39 per cent decline in the total number of high school students participating in the Registered Apprenticeship Program and a 46.5 per cent decline in new RAP apprentices. The decline in RAP participation and new registrations is an expected consequence of the current economic downturn and is comparable to what occurred during the previous downturn.

First Period Apprenticeship Award

As part of the student aid enhancements introduced in 2015-16, the ministry implemented a new First Period Apprentice Award, worth $750, to encourage registered apprentices to complete their first period of technical training.

The award was implemented after a 2014 study found that 66 per cent of apprentices reported facing barriers to attending technical training. This was especially the case for first year apprentices, who typically earn less than other apprentices. Of the apprentices who do successfully complete their first year of technical training, approximately 80 per cent go on to become certified journeypersons.

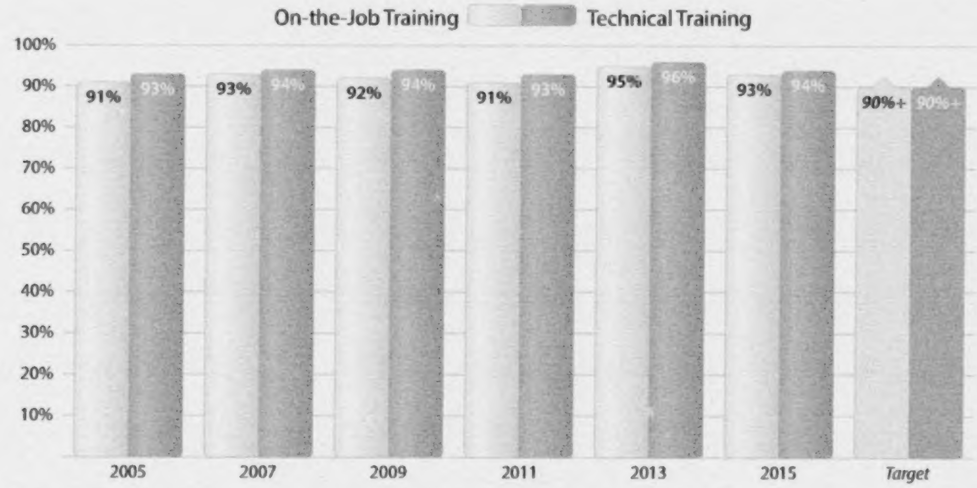
Over 7,200 apprentices received the new First Period Apprentice Award in 2015-16.

Desired Outcome 2

Apprentices have access to flexible training options in order to reduce barriers to successfully participating in a changing labour market

Performance Measure 2.a

Satisfaction of recent apprenticeship graduates with on-the-job training and technical training



Source Apprenticeship Graduate Satisfaction Survey
Endnote B, C

Rationale Apprentices' satisfaction with their on-the job and technical training provides an indication of the quality of the training provided through Alberta's apprenticeship and industry training system.

To ensure a high quality apprenticeship experience, the ministry works with the Alberta Apprenticeship and Industry Training Board, industry, employer and employee organizations, and technical training providers to maintain training and certification standards and to coordinate technical training in collaboration with training providers.

Target Based on a history of high results, the targets for apprenticeship graduate satisfaction with on-the-job and technical training were set at 90 per cent or higher. Both measures have trended over 90 per cent during past survey cycles. This is already a good result and it becomes difficult to justify setting the target even higher.

Discussion Apprentice satisfaction results have been extremely stable over the last five years, remaining in the 90 per cent range for both on-the-job and technical training. This indicates graduates are generally very happy with the on-the-job and technical training components of their apprenticeship program. The established targets were exceeded this year, but results were slightly lower than in previous years.

Graduates' perception of satisfaction can be affected by the economy in which they complete their program. The data collection period for this survey was near the end of 2015 and into early 2016. By the end of 2015, the effects of the collapse in oil prices had resulted in large-scale lay-offs in Alberta, including announced lay-offs that reached 17,579 employees by the end of the year. Total lay-offs were likely higher than this, since the announced lay-offs only included employers laying off more than 50 employees at a particular location for a specified period of time.

Survey respondents also experienced lower levels of employment than during previous surveys. Only 86 per cent of respondents were employed at the time of the survey. This factor may have contributed to graduates' somewhat lower perceptions of satisfaction with the program that they had just completed. By comparison, unemployment rates during boom years, such as between 2006 and 2008, were much lower, ranging between three and four per cent.

Note Data comes from a biennial survey of recent apprenticeship graduates who are asked about their experience in the apprenticeship and industry training system, including their satisfaction with their on-the-job training and with their technical training. In 2014-15, the survey was postponed by one year, to 2015-16, to conduct a full review of the survey. The margin of error for this survey is ±1.0%, at the 95% confidence level.

See Endnote B for more detail about the Apprenticeship Graduate Satisfaction Survey.

Financial Highlights

The consolidated Ministry Financial Statements include:

- the Department of Advanced Education,
- the Access to the Future Fund, and
- Alberta public post-secondary institutions.

Revenue

(in thousands)

	2016 Actual	2015 Actual (Restated)
Government Transfers		
Government of Alberta Grants	$ 382,608	$ 410,062
Government of Canada Grants	301,577	308,411
Investment Income	202,532	267,522
Loss from Government Business Enterprises	(3,675)	(764)
Premiums, Fees and Licences	7,837	7,110
Tuition and Non-Credit Courses	1,157,663	1,115,828
Sales, Rentals and Services	584,660	599,078
Donations, Grants and Contributions	402,564	394,903
Other	87,337	163,560
	$ 3,123,103	$ 3,265,710

Revenue decreased by $143 million from the prior year primarily due to lower return on investments which resulted in a decrease of $38 million in investment income and $43 million in endowment capitalized income. Furthermore, there was a decrease of endowment contributions of $31 million; decrease of $14 million in Sales, Rentals and Services primarily attributed to the completion of flood remediation costs and proceeds from insurance; and a decrease of $52 million of Government suspended grants from the Access to the Future Fund due to challenging economic times. The decreases were offset by an increase of $42 million due to higher international student enrollment.

Expenses

(in thousands)

	2016 Actual	2015 Actual (Restated)
Salaries, Wages and Employee Benefits	$ 3,385,914	$ 3,237,474
Supplies and Services	1,325,273	1,278,478
Grants	451,910	468,758
Amortization of Tangible Capital Assets	486,065	481,209
Interest on Long-Term Debt	37,962	34,302
Provision - Student Aid	41,258	44,146
Other	28,015	20,546
	5,756,397	5,564,913
Less: Recoveries from Support Service Arrangements with Related Parties	(1,819)	(2,899)
	$ 5,754,578	$ 5,562,014

Expenses increased by $193 million from the prior year. This is primarily due to increases in negotiated and merit increase for academic staff and employee future benefits of $148 million, and an increase of $47 million for repairs on buildings and IT network projects across campus as a result of increase in apprenticeship seats.

advancededucation.alberta.ca/ministry/reports/annualreports/

Ministry of Advanced Education
Consolidated Financial Statements

March 31, 2016

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AUDITOR
GENERAL
Alberta

Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Ministry of Advanced Education, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Ministry of Advanced Education as at March 31, 2016, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]
Auditor General

June 1, 2016
Edmonton, Alberta

Consolidated Statement of Operations

for the year ended March 31, 2016 *(in thousands)*

	2016		2015
	Budget	Actual	Actual (Restated Notes 2, 4 and 19)
Revenues (Note 2(b) and Schedule 1)			
Government Transfers			
Government of Alberta Grants	$ 659,666	$ 382,608	$ 410,062
Government of Canada Grants	382,745	301,577	308,411
Investment Income	179,690	202,532	267,522
Loss from Government Business Enterprises (Schedule 5)	—	(3,675)	(764)
Premiums, Fees and Licences	7,155	7,837	7,110
Tuition and Non-Credit Courses	1,137,669	1,157,663	1,115,828
Sales, Rentals and Services	603,775	584,660	599,078
Donations, Grants and Contributions	303,078	402,564	394,903
Other	2,579	87,337	163,560
	3,276,357	3,123,103	3,265,710
Expenses – Directly Incurred (Note 2(b) and Schedule 2)			
Public Post-Secondary Institutions	5,438,528	5,380,288	5,171,043
Department			
Support for Adult Learning	79,315	75,024	74,898
Apprenticeship Delivery	40,780	42,639	40,893
Student Aid	227,952	209,901	228,478
Alberta Centennial Education Savings Plan	19,000	13,533	16,785
Ministry Support Services	29,595	33,193	29,917
	5,835,170	5,754,578	5,562,014
Annual Deficit	$(2,558,813)	$(2,631,475)	$(2,296,304)

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at March 31, 2016 *(in thousands)*

	2016	2015 (Restated Note 4)
Financial Assets		
Cash and Cash Equivalents (Note 5)	$ 574,697	$ 778,764
Accounts Receivable (Note 6)	278,709	297,688
Portfolio Investments (Schedule 4)		
Non-Endowment	2,595,118	2,539,227
Restricted for Endowments (Note 14)	2,007,472	1,913,914
Equity in Government Business Enterprises (Schedule 5)	14,352	19,134
Loans and Advances (Note 7)	1,723,349	1,361,180
Inventories for Resale	21,733	23,980
Assets Held for Sale (Note 8)	14,081	1,633
	7,229,511	6,935,520
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	782,487	820,453
Notes, Debentures and Mortgages (Note 10)	987,087	997,598
Deferred Revenue (Note 11)	1,015,901	983,221
Unspent Deferred Capital Contributions (Note 11)	39,120	49,163
Pension Liabilities (Note 12)	298,501	279,809
	3,123,096	3,130,244
Net Financial Assets	4,106,415	3,805,276
Non-Financial Assets		
Tangible Capital Assets (Note 13)	8,035,604	7,779,903
Inventories of Supplies	2,739	2,684
Prepaid Expenses	53,637	56,111
	8,091,980	7,838,698
Net Assets Before Deferred Capital Contributions	12,198,395	11,643,974
Spent Deferred Capital Contributions (Note 11)	1,386,102	1,354,102
Net Assets	$ 10,812,293	$ 10,289,872
Net Assets		
Net Assets, Beginning of Year (Note 4)	$ 10,289,872	$ 9,671,513
Annual Deficit	(2,631,475)	(2,296,304)
Net Financing Provided from General Revenues	3,153,896	2,914,663
Net Assets, End of Year	$ 10,812,293	$ 10,289,872

Contingent Liabilities and Contractual Obligations (Notes 15 and 16)

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Change in Net Financial Assets

for the year ended March 31, 2016 *(in thousands)*

	2016		2015
	Budget	Actual	Actual (Restated Note 4)
Annual Deficit	$(2,558,813)	$(2,631,475)	$(2,296,304)
Acquisition of Tangible Capital Assets (Note 13)	(875,583)	(726,262)	(742,223)
Donation of Tangible Capital Assets (Note 13)		(40,752)	(30,298)
Amortization of Tangible Capital Assets (Note 13)	486,590	486,065	481,209
Write-down and Loss on Disposal of Tangible Capital Assets		6,789	5,115
Proceeds on Disposal of Tangible Capital Assets		6,011	15,093
Assets Held for Sale		12,448	1,633
Change in Inventories of Supplies		(55)	79
Change in Prepaid Expenses		2,474	4,747
Change in Spent Deferred Capital Contributions		32,000	69,428
Net Financing Provided from General Revenue		3,153,896	2,914,663
Increase in Net Financial Assets		301,139	423,142
Net Financial Assets, Beginning of Year		3,805,276	3,453,393
Adjustment to Opening Net Assets due to Government Reorganization (Note 4)		—	(71,259)
Net Financial Assets, End of Year		$ 4,106,415	$ 3,805,276

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended March 31, 2016 *(in thousands)*

	2016	2015 (Restated Note 4)
Operating Transactions		
Annual Deficit	$(2,631,475)	$(2,296,304)
Non-Cash Items included in Annual Deficit		
Amortization of Tangible Capital Assets (Note 13)	486,065	481,209
Deferred Capital Contribution Recognized as Revenue (Note 11)	(93,564)	(81,051)
Loss from Government Business Enterprises (Schedule 5)	3,675	764
Write-down and Loss on Disposal of Tangible Capital Assets	6,789	5,115
Donation of Capital Assets (Note 13)	(40,752)	(30,298)
Valuation Adjustments		
Provision for Employee Future Benefits	18,692	9,128
Provision for Future Cost of Student Loans Issued	41,258	44,146
Student Loans Valuation Adjustments	(7,251)	(10,859)
Provision for Vacation Pay and Other Provisions	(2,368)	5,177
	(2,218,931)	(1,872,973)
Decrease in Accounts Receivable	18,979	8,275
Decrease in Prepaid Expenses	2,474	4,747
Decrease in Inventories for Resale	2,247	885
(Increase) Decrease in Inventories for Supplies	(55)	79
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(35,598)	34,719
Increase in Deferred Revenue	84,476	65,700
Cash Applied to Operating Transactions	(2,146,408)	(1,758,568)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 13)	(726,262)	(742,223)
Proceeds on Disposal of Tangible Capital Assets	6,011	15,093
Cash Applied to Capital Transactions	(720,251)	(727,130)
Investing Transactions		
Student Loan Disbursements	(534,889)	(392,262)
Student Loan Repayments	138,713	120,425
Purchases of Portfolio Investments	(2,125,308)	(4,918,680)
Proceeds on Sale of Portfolio Investments	1,975,859	4,405,630
Repayments from (Advances to) Government Business Enterprises	1,107	(9,225)
Cash Applied to Investing Transactions	(544,518)	(794,112)
Financing Transactions		
Contributions Restricted for Capital (Note 11)	63,725	76,512
Net Financing Provided from General Revenues	3,153,896	2,914,663
Debt Issues	37,049	185,958
Debt Retirement	(47,560)	(55,090)
Cash Provided by Financing Transactions	3,207,110	3,122,043
Decrease in Cash and Cash Equivalents	(204,067)	(157,767)
Cash and Cash Equivalents, Beginning of Year	778,764	936,531
Cash and Cash Equivalents, End of Year	$ 574,697	$ 778,764

The accompanying notes and schedules are part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

March 31, 2016

Note 1 *Authority and Purpose*

The Ministry of Advanced Education operates under the authority of the *Government Organization Act* and its regulations and has been designated responsibilities for various Acts. Below are the organizations that form the Ministry of Advanced Education and the authority under which each organization operates. Schedule 7 provides a detailed listing of entities included in the organizational groupings.

Organization	Authority
Department of Advanced Education	*Government Organization Act*
Access to the Future Fund	*Access to the Future Act*
Public Post-Secondary Institutions	*Post-secondary Learning Act*

In support of Alberta's vision, Advanced Education's purpose is to strive to engage Albertans in learning to build a resilient economy and thriving society.

Note 2 *Summary of Significant Accounting Policies and Reporting Practices*

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity and Method of Consolidation

The reporting entity is the Ministry of Advanced Education, for which the Minister of Advanced Education is accountable. The accounts of the Ministry are fully consolidated which includes the Department and the entities listed in Schedule 7 on a line-by-line basis except for government business enterprises (GBEs) which are reported on a modified equity basis (Schedule 5), with the equity being computed in accordance with the accounting standards applicable to those entities. Under the modified equity method, the accounting policies of the GBEs are not adjusted to conform to those of the other government organizations. Inter-sector revenue and expense transactions and related asset and liability balances are not eliminated. GBEs are listed in Schedule 7.

Organizations that the Ministry controls for reporting purposes through its consolidated organizations, but that do not meet the materiality threshold of $6 million in assets, liabilities, revenues or expenses after eliminating inter-entity transactions and balances are not consolidated in these financial statements. These organizations are analyzed yearly to determine if they have met the materiality threshold and after two years of exceeding the threshold will be considered for consolidation.

Revenue and expense, capital, investing and financing transactions and related asset and liability balances between the consolidated entities have been eliminated. Accounting policies have been adjusted to conform with those of the Ministry.

The year-end of the Access to the Future Fund, University of Alberta, University of Calgary, University of Lethbridge, Athabasca University and The Banff Centre is March 31.

The year-end for colleges, technical institutes, MacEwan University and Mount Royal University is June 30. Transactions of these organizations that have occurred between the period July 1, 2015 to March 31, 2016, and are $1 million or greater that significantly affect the consolidated accounts, have been recorded.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Investment income earned from restricted sources is deferred and recognized when the stipulations imposed have been met. Gains and losses on investments are not recognized in the Consolidated Statement of Operations until realized.

Government Transfers

Transfers from Government of Alberta and federal governments are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recorded as deferred capital contributions or deferred revenue if the eligibility criteria for use of the transfer, or the stipulations along with the Ministry's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Ministry complies with its communicated use of the transfers.

All other government transfers, without stipulations for use of the transfer, are recorded as revenue when the transfer is authorized and the Ministry meets the eligibility criteria (if any).

Donations and Non-Government Grants

Donations and non-government grants are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government grants may be unrestricted or externally restricted for operating or capital purposes. Unrestricted donations and non-government grants are recorded as revenue in the year received or in the year the funds are committed and the amounts can be reasonably estimated. Externally restricted donations, non-government grants, and realized gains and losses for the associated externally restricted investment income are recorded as deferred revenue if the term for their use, or the terms along with the Ministry's actions and communications as to the use, create a liability. These resources are recognized as the terms are met and, when applicable, the Ministry complies with its communicated use.

Grants and Donations for Land

The Ministry recognizes transfers and donations for the purchase of land as a liability when received, and as revenue when the Ministry purchases the land. The Ministry recognizes in-kind contributions of land as revenue at the fair value of the land. When the Ministry cannot determine the fair value, it records such in-kind contributions at a nominal value.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for. In addition to program operating expenses such as salaries and supplies, etc. directly incurred expenses also include:

- amortization of tangible capital assets,
- inventory consumed,
- pension costs which comprise the cost of employer contributions for current service of employees during the year, and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to Universities Academic Pension Plan, student loans and vacation pay.

Grants are recognized as expenses when authorized and the eligibility criteria, if any, are met and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other related entities in support of the Ministry's operations are not recognized and are allocated to programs to show the full cost in Schedule 3.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments. The fair value of long-term debt approximates its carrying value as interest rates approximate the market value. Fair values of loans and advances and liability for student loans issued are not reported as there is no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability.

Financial Assets

Financial assets are the Ministry's financial claims on external organizations and individuals, and inventories for resale at the year end.

Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Accounts Receivable

Accounts receivables are recorded at the lower of cost or net recoverable value. A valuation allowance is recorded when recovery is uncertain.

Portfolio Investments

Portfolio investments are recorded at cost less any write-downs associated with a loss in value that is other than a temporary decline. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value. Gains and losses on investments are recognized when an investment is sold or when there is a permanent impairment in the value of an investment.

Endowments are included in Financial Assets and Accumulated Surplus in the Consolidated Statement of Financial Position. Endowment contributions, matching contributions, and associated investment income allocated for preservation of endowment capital purchasing power are recognized in the Consolidated Statement of Operations in the period in which they are received. Donors have placed restrictions on their contribution to the endowment funds. Capital preservation, investment returns and the impact of inflation may also form restrictions on these funds.

Loans and Advances

Loans and Advances are recorded at cost less any allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

Inventories for Resale

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

Assets Held for Sale

Assets held for sale that are expected to be sold within one year are considered financial assets. They are valued at the lower of cost or expected net realizable value. Cost includes amounts for improvements to prepare the assets for sale.

Liabilities

Liabilities represent present obligations of the Ministry to external organizations and individuals rising from transactions or events occurring before the year end. They are recorded when there is an appropriate basis of measurement and management can reasonably estimate the amount.

Liabilities also include:

- all financial claims payable by the Ministry at the year end;
- accrued employee vacation entitlements; and
- contingent liabilities where future liabilities are likely.

Notes, Debentures and Mortgages

Notes, debentures, and mortgages are recorded at their face amount less unamortized discount, which includes issue expenses.

Deferred Revenue

Where the Ministry has received restricted contributions which have not been fully used in the period, this gives rise to deferred revenue.

Liability for Contaminated Sites

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criterial are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- Ministry of Advanced Education is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations, associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

Non-Financial Assets

Non-financial assets are limited to tangible capital assets, inventories of supplies and prepaid expenses.

Tangible Capital Assets

Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Donated tangible capital assets are recorded at their fair value at the time of contribution. The thresholds for capitalization, as determined by the entities, are $1,000 to $250,000 for new systems development and $1,000 to $100,000 for major enhancements. The threshold for all other tangible capital assets, as determined by the entities, is $1,000 to $15,000. All land is capitalized.

Amortization is only charged if the tangible capital asset is put into service.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the net book value of these physical assets less any nominal proceeds are recorded as grants in-kind. Unrealized gains and losses on transfers to controlled entities are eliminated on consolidation.

Post-secondary institutions have collections consisting of historical artifacts and provincial, national and international works of art. The value of these collections is not recognized in the consolidated financial statements. Contributed tangible capital assets are recorded at their fair value at the time of contribution.

Inventories of Supplies

Inventories of supplies are valued at the lower of cost and replacement cost. Cost is determined on a first-in, first-out basis.

Prepaid Expenses

Prepaid expenses are recorded at cost and amortized based on the terms of the agreement.

Payments under Agreement

The Ministry entered into agreements with the federal government to provide services on their behalf.

Expenses incurred and revenue earned in the provision of services under these agreements are recorded in the records of the service providers and are not included in these consolidated financial statements. Amounts paid and recovered under agreements are disclosed in Note 17.

Measurement Uncertainty *(in thousands)*

Measurement uncertainty exists when there is variance between the recognized or disclosed amount and another reasonably possible amount.

The areas with measurement uncertainty are student loans receivable (Note 7) which consists of:

- the allowance for impaired loans amounting to $174,813 (2015 - $135,128),
- the allowance for loan subsidy amounting to $33,071 (2015 - $40,597), and
- the allowance for repayment assistance amounting to $4,264 (2015 - $3,200).

The Ministry has made certain estimates in the following areas:

- recovery and default rates in the determination of the allowance for impaired loans.
- blended student lending rate; the annual average provincial borrowing rate; the average repayment period, default rate, and repayment assistance rate in the determination of the allowance for loan subsidy.
- future loan amounts approved for repayment assistance, and loan forgiveness rates in the determination of the allowance for repayment assistance.
- methodology used in the determination of the amounts of spent restricted capital contributions.

With respect to the Universities Academic Pension Plan, the plan's actuary has made certain estimates and assumptions in the determination of the March 31, 2016 extrapolated results. Refer to Note 12 for these assumptions.

Changes in these estimates could materially impact the allowance for impaired loans, the allowance for loan subsidy, the allowance for repayment assistance, and the unfunded liability for the Universities Academic Pension Plan.

Government Endowment Fund for Scholarships *(in thousands)*

The Alberta Heritage Scholarship Fund operates under the *Alberta Heritage Scholarship Act* for the purpose of investing the endowment funds to make income available for scholarships.

The Ministry of Treasury Board and Finance controls this endowment. However, the Ministry of Advanced Education has an economic interest in the endowment as it assists in funding Ministry programs. Additional information on the endowment can be found in the financial statements for Alberta Treasury Board and Finance.

	Net Assets			
	2016		2015	
	Value at Cost	Fair Value	Value at Cost	Fair Value
Alberta Heritage Scholarship Fund	$ 1,107,922	$ 1,213,873	$ 1,062,823	$ 1,205,862

(c) Change in Accounting Policy

Adoption of the Net Debt Model

The net debt presentation (with reclassification of comparatives) has been adopted for the presentation of consolidated financial statements. Net financial assets or net debt is measured as the difference between the ministry's financial assets and liabilities.

The effect of this adoption results in changing the presentation of the Consolidated Statement of Financial Position and adding the Consolidated Statement of Changes in Net Financial Assets.

Note 2 ***Summary of Significant Accounting Policies and Reporting Practices** (continued)*

Endowment Contributions and Endowment Capitalized Investment Income *(in thousands)*

Effective April 1, 2015, endowment contributions, matching contributions, and associated investment income allocated for preservation of endowment capital purchasing power are recognized in the Consolidated Statement of Operations in the period in which they are received. In prior years, such transactions were recognized as direct increases to endowment net assets, not through the Statement of Operations, in the period they were received. This change in accounting policy is applied retroactively.

	2015					
	Previously Reported	Prior Year Error (Note 19)	Government Reorganization	Change in Accounting Policy (1)	Change in Accounting Policy (2)	Restated
Increase (Decrease) in:						
Consolidated Statement of Financial Position						
Portfolio Investments	$ 4,521,468	$ (11,026)	$ (57,301)	$(4,453,141)	$ —	$ —
Non-Endowments	—	—	—	2,539,227	—	2,539,227
Restricted for Endowments	—	—	—	1,913,914	—	1,913,914 (Note 14)
Endowments	1,845,067	68,847	—	(1,758,883)	(155,031)	—
Net Assets	8,713,967	(79,873)	(258,136)	1,758,883	155,031	10,289,872
Consolidated Statement of Operations						
Endowment Contributions and Endowment Capitalized Investment Income	—	—	—	—	155,031	155,031 (Schedule 1)

(1) Adoption of the net debt model

(2) Endowment contributions and endowment capitalized investment income

Note 3

Future Accounting Changes

In June 2015, the Public Sector Accounting Board issued the following accounting standards:

- **PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)**
  PS 2200 defines a related party and establishes disclosures required for related party transactions; PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. Management is currently assessing the impact of these standards on the financial statements.
- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**
  PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights. Management is currently assessing the impact of these standards on the financial statements.
- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
  This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities. Management is currently assessing the impact of these standards on the financial statements.
- **PS 3450 Financial Instruments (effective April 1, 2019)**
  In June 2011, the Public Sector Accounting Board issued this accounting standard and subsequently extended the effective date to April 1, 2019. The Ministry has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier. Adoption of this standard requires corresponding adoption of: PS 2601, Foreign Currency Translation; PS 1201, Financial Statements Presentation; and PS 3041, Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement, and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. Management is currently assessing the impact of these standards on the financial statements.

Note 4

Government Reorganization and Prior Period Restatement

(in thousands)

In October 22, 2015, as a result of cabinet restructuring, responsibility for Alberta Enterprise Corporation, Alberta Innovates – Bio Solutions, Alberta Innovates – Energy and Environment Solutions, Alberta Innovates – Technology Futures, and the following programs – Technology and Industry Partnerships, Economic Development and Innovation, and 2013 flooding were transferred to the newly formed Ministry of Economic Development and Trade. The Ministry of Innovation and Advanced Education was renamed as the Ministry of Advanced Education. All changes were effective April 1, 2015.

Comparatives for 2015 have been restated as if the Ministry had always been assigned with its current responsibilities. Net assets on March 31, 2014 are made up as follows:

Net assets as previously reported by the former Ministry of Innovation and Advanced Education	$ 9,920,371
Adjustment to opening net assets due to government reorganization	(71,259)
Transfer to Ministry of Economic Development and Trade	(177,599)
Net assets of the Ministry of Advanced Education restated at March 31, 2014	$ 9,671,513

Net financial assets on March 31, 2014 are made up as follows:

Net financial assets as previously reported by the former Ministry of Innovation and Advanced Education	$ 3,599,604
Transfer to Ministry of Economic Development and Trade	(146,211)
Net financial assets of the Ministry of Advanced Education restated at March 31, 2014	$ 3,453,393

Note 5

Cash and Cash Equivalents

(in thousands)

Cash and Cash Equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality, short-term securities with a maximum term to maturity of three years. As at March 31, 2016, securities held by the Fund have a time-weighted return of 0.8% (2015 - 1.2%) per annum. Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

	2016	2015 (Restated Note 4)
Cash	$ 359,182	$ 428,805
Cash Equivalents (1)	215,515	349,959
	$ 574,697	$ 778,764

(1) Cash equivalents include money market funds, short-term notes and treasury bills.

Note 6

Accounts Receivable

(in thousands)

	2016			2015 (Restated Note 4)
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$ 288,199	$ (9,490)	$ 278,709	$ 297,688

Accounts receivable are unsecured and non-interest bearing.

Note 7 Loans and Advances

(in thousands)

	2016	2015
Loans Receivable	$ 1,935,497	$ 1,540,105
Less:		
Allowance for Impaired Loans	(174,813)	(135,128)
Allowance for Loan Subsidy	(33,071)	(40,597)
Allowance for Repayment Assistance	(4,264)	(3,200)
	$ 1,723,349	$ 1,361,180

Under the Alberta Student Aid Program, loans are provided by the Ministry to qualifying students on terms prescribed by the Minister of Advanced Education.

Loans become payable and interest is earned starting six months after students discontinue their studies or graduate. Loans are unsecured and are repayable to a maximum term of 114 months. The interest rates on student loans are a floating rate of prime plus 2%.

Loans are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or
- the borrower has failed to make payments for a period of 150 days, or
- interest is owing to the Province for a period of 180 days.

When loans are classified as impaired, interest ceases to accrue.

Loans receivable are stated at cost net of the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

The allowance for impaired loans is a provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default rates of 5.81% (2015 - 5.67%) and recovery rates of 30% (2015 - 31%).

The allowance for loan subsidy is a provision that reflects the future benefit provided to students. This benefit is a result of favourable loan terms where the Ministry does not receive interest payments over the term of the loans to fully cover the Ministry's cost of financing the loan portfolio. Changes in future year estimates are expensed and amortized on the allowance for loan subsidy over the estimated life of the student loan. The key assumptions used to determine this provision are a blended student lending rate of 3.49% (2015 - 3.54%), the annual average provincial borrowing rate of 2.5% (2015 - 2.78%), the average repayment period of 9 years (2015 - 8 years), default rate assumptions, and Repayment Assistance Plan rate assumptions.

The allowance for repayment assistance is a provision that estimates the amount of loans receivable that will be forgiven by the Ministry through the repayment assistance program. The key assumptions used to determine the provision are future loan amounts approved for repayment assistance and loan forgiveness rates of 7.4% (2015 - 7.6%).

Note 8 Assets Held for Sale

The Ministry has three assets being held for sale (2015 - one), with the intent of disposition within the next fiscal year.

Note 9 Accounts Payable and Accrued Liabilities

(in thousands)

	2016	2015 (Restated Note [illegible])
Accounts Payable	$ 17,649	$ 14,201
Accrued Liabilities	764,838	806,252
	$ 782,487	$ 820,453

Note 10

Notes, Debentures and Mortgages

(in thousands)

	Maturity	Average Interest Rate	Cost 2016 (2)	Cost 2015 (2)
Debentures (1)	Up to December 2047	4.12%	$ 983,699	$ 992,701
Bank Loan	April 2020	3.32%	329	665
Mortgages	March 2016	5.13%	—	116
Other			—	82
			984,028	993,564
Liabilities under Capital Leases (3)			3,059	4,034
			$ 987,087	$ 997,598

(1) Debentures are payable to Alberta Capital Finance Authority.

(2) Cost approximates fair value.

(3) The calculation of the liabilities under capital leases is as follows:

	2016	2015
Liabilities, Beginning of Year	$ 4,034	$ 5,749
Additions to Liabilities during Year	1,549	1,370
Principal Payments	(2,524)	(3,085)
Liabilities, End of Year	$ 3,059	$ 4,034

Principal repayments in each of the next five years and thereafter are as follows:

2016-17	$ 50,479
2017-18	98,978
2018-19	83,267
2019-20	85,135
2020-21	35,740
Thereafter	633,488
	$ 987,087

Note 11 *Deferred Revenue and Deferred Capital Contributions*

(in thousands)

Deferred Revenue	2016	2015 (Restated Note 4)
Unspent Restricted Grants and Donations	$ 863,168	$ 833,548
Student Tuition and Other Revenue	152,733	149,673
Total	$ 1,015,901	$ 983,221

	2016	2015 (Restated Note 4)
Unspent Deferred Capital Contributions (1)	$ 39,120	$ 49,163
Spent Deferred Capital Contributions (2)	1,386,102	1,354,102
	$ 1,425,222	$ 1,403,265

(1) *Unspent Deferred Capital Contributions and Transfers*

	2016			2015
	Government of Alberta	Other	Total	Total (Restated Note 4)
Balance, Beginning of Year	$ 2,015	$ 47,148	$ 49,163	$ 59,525
Received/Receivable during Year	5,182	58,543	63,725	76,512
Restricted Realized Investment Income	25	1,348	1,373	806
Transferred to Revenue	(134)	(1,147)	(1,281)	(4,236)
Transferred (to) from Other	(87)	288	201	645
Transferred to Spent Deferred Capital Contributions and Transfers	(5,545)	(68,516)	(74,061)	(84,089)
Balance, End of Year	$ 1,456	$ 37,664	$ 39,120	$ 49,163

(2) *Spent Deferred Capital Contributions and Transfers*

	2016			2015
	Government of Alberta	Other	Total	Total
Balance, Beginning of Year	$ 221,091	$ 1,133,011	$ 1,354,102	$ 1,284,673
Transferred from Unspent Deferred Contributions and Deferred Revenue	25,925	99,639	125,564	150,480
Less Amounts Recognized as Revenue	(17,219)	(76,345)	(93,564)	(81,051)
Balance, End of Year	$ 229,797	$ 1,156,305	$ 1,386,102	$ 1,354,102

Note 12

Pension Liabilities

(in thousands)

	2016	2015
Pension Liability		
Universities Academic Pension Plan	$ 244,264	$ 231,075
Supplementary Pension Plans	54,237	48,734
	$ 298,501	$ 279,809

Universities Academic Pension Plan

The Universities Academic Pension Plan (UAPP) is a joint defined benefit pension plan primarily comprised of academic staff members and other eligible employees of the Universities of Alberta, Calgary, Lethbridge and Athabasca, and The Banff Centre (employers). The Universities Academic Pension Plan Board (the Board) is the trustee and administrator of the UAPP. The Board operates under the authority of the *Employment Pension Plans Act.*

An actuarial valuation of the UAPP was carried out as at December 31, 2014 and was extrapolated to March 31, 2016 using the projected unit cost method prorated on benefits. The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, and employee turnover and mortality. The significant actuarial assumption used to measure the accrued benefit obligation are as follows:

	2016	2015
Discount Rate	6.0%	6.10%
Expected Rate of Return on Plan Assets	6.0%	6.10%
Salary Escalation Rate	3.0%	3.50%
Real Wage Growth	1.0%	1.25%
Inflation Rate	2.0%	2.25%
Estimated Average Remaining Service Life (years)	10.8	8.6

The 2015 UAPP Annual Report identifies an unfunded liability at December 31, 2015 in the amount of $1,024,700 (2014 - Restated $1,142,626). An actuarial extrapolation of this amount to March 31, 2016, adjusted for public sector reporting standards, estimates the unfunded liability at $868,736 (2015 - $1,129,894) and unamortized actuarial gain totalling $3,330 (2015 - actuarial loss $162,570). The following table provides further breakdown of how the liability has been allocated amongst the participants:

	Alberta Treasury Board and Finance	Employees	Employers	March 31, 2016 Extrapolated Results	March 31, 2015 Extrapolated Results
Pre '92	$ 280,477	$ 268,581	$ 268,581	$ 817,639	$ 883,098
Post '91	—	25,549	25,548	51,097	246,796
Total Unfunded Liability	$ 280,477	$ 294,130	$ 294,129	$ 868,736	$ 1,129,894

The unfunded liability for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2015 - 1.25%) of salaries by Alberta Treasury Board and Finance and the balance of the required contributions, 3.54% (2015 - 2.87%) of salaries, is equally split between employees and employers in order to eliminate the unfunded deficiency by December 31, 2043. Employees and employers are responsible for fully funding service after 1991 which consists of special payments of 4.93% (2015 - 5.79%) of salaries until December 31, 2021, 1.71% (2015 - 1.71%) of salaries for 2022 and 2023, 0.70% (2015 - 0.70%) of salaries for 2024 and 2025, and 0.25% (2015 - 0.25%) of salaries for 2026 and 2027, all shared equally between employees and employers.

The total contributions for the year (which includes the current years' service) were $239,818 (2015 - $231,327) of which the contributions made by employees were $113,732 (2015 - $110,051) and contributions made by Alberta Treasury Board and Finance were $11,821 (2015 - $10,704).

Additional information on UAPP can be found in the Annual Report of UAPP.

Note 12 **Pension Liabilities** *(continued)* *(in thousands)*

The expense and financial position of the UAPP is as follows:

	2016	2015
Pension Liability		
Accrued Benefit Obligation		
Balance, Beginning of Year	$ 4,956,748	$ 4,472,414
Current Service Cost	168,982	149,504
Interest Cost	305,240	297,666
Benefits Paid	(243,587)	(223,642)
Actuarial (Gain)/Loss	(215,475)	260,806
Balance, End of Year	4,971,908	4,956,748
Pension Fund Assets	(4,103,173)	(3,826,854)
Total Unfunded Liability	$ 868,735	$ 1,129,894
Ministry's Portion of Total Unfunded Liability	$ 294,129	$ 408,182
Unamortized Actuarial Net Loss	(49,864)	(177,107)
Total UAPP Pension Liability	$ 244,264	$ 231,075

The expense of this plan is $127,457 (2015 - $118,047) and includes the following components:

	2016	2015
Pension Expense		
Current Period Benefit Cost	$ 84,491	$ 74,752
Amortization of Actuarial Gains/Losses	16,399	17,386
Pension Expense	100,890	92,138
Interest Cost on the Average Accrued Benefit Obligation	134,974	129,471
Expected Return on Average Pension Plan Assets	(108,407)	(103,562)
Pension Interest Expense	26,567	25,909
Total UAPP Pension Expense	$ 127,457	$ 118,047

Ministry Pension Plans

The Ministry participates in the multi-employer pension plans: Management Employees Pension Plan, Local Authorities Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $137,726 for the year ended March 31, 2016 (2015 - $133,465).

At December 31, 2015, the Management Employees Pension Plan reported a surplus of $299,051 (2014 - surplus of $75,805), the Local Authorities Pension Plan reported a deficiency of $923,416 (2014 - deficiency of $2,454,636) and the Public Service Pension Plan reported a deficiency of $133,188 (2014 - deficiency of $803,299). At December 31, 2015, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $16,305 (2014 - deficiency of $17,203).

Certain consolidated entities provide defined supplementary executive retirement plans for certain management staff, and other benefit plans for all or specific groups of staff, depending on the plans. The cost of these benefits are actuarially determined on an annual basis using the projected benefit method pro-rated on services, the government borrowing rate, management's best estimate of expected costs, and the period of benefit coverage. At March 31, 2016, these plans have a net accrued liability of $54,237 (2015 - $48,734). This liability is included in employee future benefits. The expense of these supplementary retirement plans is $10,842 (2015 - $7,877).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2016, the Bargaining Unit Plan reported an actuarial surplus of $83,006 (2015 - surplus of $86,888) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of $29,246 (2015 - surplus of $32,343). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 13

Tangible Capital Assets

(in thousands)

	Land	Building	Land Improvement	Equipment (2)	Computer Hardware and Software	Other (3)	2016 Total	2015 Total (Restated Note 4)
Estimated Useful Life	Indefinite	3-50 years	5-40 years	2-25 years	2-15 years	2-25 years		
Historical Cost (1)								
Beginning of year	$ 281,268	$ 9,658,250	$ 58,246	$ 2,101,993	$ 949,770	$ 731,782	$ 13,781,309	$ 13,110,256
Additions	9,928	487,322	5,290	134,044	48,547	41,131	726,262	742,223
Donations	—	13,000	—	26,319	1,427	6	40,752	30,298
Disposals, including write-downs	(39)	(22,933)	(1,035)	(23,278)	(24,228)	(10,874)	(82,387)	(89,445)
Transfers to Other Ministries	—	—	—	—	(147)	—	(147)	—
Transfer to Assets Held for Sale	(413)	(17,229)	—	(525)	(46)	—	(18,213)	(9,050)
Adjustments (4)	—	1,842	(1,153)	(7,372)	(4,613)	(600)	(11,896)	(2,973)
	290,744	10,120,252	61,348	2,231,181	970,710	761,445	14,435,680	13,781,309
Accumulated Amortization								
Beginning of Year	—	3,192,361	16,745	1,421,575	837,514	533,211	6,001,406	5,599,823
Amortization Expense	—	244,636	2,035	148,193	53,323	37,878	486,065	481,209
Effect of Disposals, including Write-downs	—	(22,522)	(259)	(20,212)	(22,440)	(7,493)	(72,926)	(72,094)
Transfers to Other Ministries	—	—	—	—	(147)	—	(147)	—
Transfer to Assets Held for Sale	—	(5,399)	—	(321)	(45)	—	(5,765)	(7,417)
Adjustments (4)	—	513	(2)	(4,502)	(3,967)	(599)	(8,557)	(115)
	—	3,409,589	18,519	1,544,733	864,238	562,997	6,400,076	6,001,406
Net Book Value at March 31, 2016	$ 290,744	$ 6,710,663	$ 42,829	$ 686,448	$ 106,472	$ 198,448	$ 8,035,604	$ —
Net Book Value at March 31, 2015	$ 281,268	$ 6,465,890	$ 41,501	$ 680,418	$ 112,256	$ 198,570	$ —	$ 7,779,903

(1) Historical cost includes work-in-progress at March 31, 2016 totalling $698,989 (2015 *Restated* - $651,330) comprised of Building and Site Improvements - $666,229 (2015 *Restated* - $596,321), Land Improvements $174 (2015 - $81), Equipment - $18,114 (2015 *Restated* - $46,925), Computer Hardware and Software - $13,913 (2015 *Restated* - $7,999) and Other - $559 (2015 - $4).

(2) Equipment includes vehicles, heavy equipment, office equipment and furniture, other equipment.

(3) Other includes leasehold improvements, library materials and asset retirement obligations.

(4) Adjustments relate to post secondary institutions for accounting policy changes and reclassifications between capital asset categories.

Note 14

Endowments

(in thousands)

Endowments are included in financial assets in the Consolidated Statement of Financial Position. Donors have placed restrictions on their contributions. The principal restriction is that the original contribution should not be spent, except where the legislation allows for encroachment on the capital of the endowment. Capital preservation, investment returns, and the impact of inflation may also form restrictions on these funds.

The investment policy of four of the post-secondary institutions requires that the unrealized gains/losses of the endowment investments are recorded as part of the endowment balance. The aggregated amount of the unrealized gain is $221,913 (2015 - $345,408).

The Ministry does not record the unrealized gains/losses because it will not adopt PS 3450 Financial Instruments until April 1, 2019.

	2016	2015 (Restated Note 19)
Beginning Balance	$ 1,913,914	$ 1,676,219
Contributions	46,889	78,227
Reinvested Income	33,204	76,804
Net Transfers from Unrestricted Net Assets	13,465	82,664
	$ 2,007,472	$ 1,913,914

Note 15

Contingent Liabilities

(in thousands)

At March 31, 2016 the Ministry of Advanced Education is a defendant in a number of legal proceedings. While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the Ministry believes that any settlement will not have a material adverse effect on its financial position or the results of operations. The Ministry has concluded that none of the claims meet the criteria for being recorded under PSAS.

The Ministry has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the Ministry may be required to take appropriate remediation procedures to remove the asbestos. As the Ministry has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. However, when there are plans to demolish or renovate a building which contains asbestos, the obligation related to the demolition is determined and recorded as part of the project costs. In the current year, the Ministry has recorded a liability for contaminated sites of $2,813 (2015 - $2,671).

Note 16

Contractual Obligations

(in thousands)

Contractual obligations are obligations of the Ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2016	2015 (Restated Note 4)
Obligations under Operating Leases, Contracts and Programs	$ 996,609	$ 1,070,768

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Obligations under Operating Leases, Contracts and Programs
2016-17	$ 488,542
2017-18	271,366
2018-19	124,915
2019-20	38,260
2020-21	16,470
Thereafter	57,056
	$ 996,609

Note 17

Payments under Agreement

(in thousands)

The Ministry has entered into agreements to deliver programs that are fully funded by the Government of Canada. Costs under these agreements are incurred by the Ministry under authority of section 25 of the *Financial Administration Act*. Accounts Payable includes $9,404 (2015 - $915 Accounts Receivable) relating to payments under agreement.

Effective for study periods starting August 1, 2016, federal grants to students will be issued directly from the National Student Loan Centre. A payable to the federal government exists as a result of collections on federal grant overpayments.

Government of Canada:

Net amounts paid and (payable) under agreements on behalf of the Government of Canada are as follows:

	2016	2015
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	$ (4)	$ (7)
Government of Canada		
Canada Study Grants	(6)	(15)
Canada Student Grants	8,637	75,019
	$ 8,627	$ 74,997

Note 18 Funds Held on Behalf of Others

(in thousands)

The Ministry holds funds on behalf of others over which the legislature has no power of appropriation. Because the Ministry has no equity in the funds and holds them for the purposes of various other organizations, they are not included in the Ministry's financial statements. Total net assets of the funds held on behalf of others by the Ministry at March 31, 2016 were $44,773 (2015 - Restated $50,128).

Note 19 Correction of Prior Year Errors

(in thousands)

During the year, the Ministry corrected an error in its reporting of the endowments figure from the prior year. In the prior year, $79,873 of government transfers from Access to the Future Fund were recorded as a direct increase to endowments by the post-secondary institutions. The Ministry eliminated the $79,873 of government transfers against the direct increase to endowment net assets. As a result of these errors, net assets and endowments were understated by $79,873.

A post-secondary institution under-reported cumulative unrealized gains on its endowment portfolio investments to the Ministry for its consolidation purpose in 2015. Because the Ministry has not adopted PS 3450 Financial Instruments accounting standards, upon consolidation to conform its accounting standard to bring the endowment portfolio investments to its cost base, the Ministry financial statements had an overstatement of the endowment portfolio investments of $11,026. The impact on the prior year's consolidated financial statements is as follows:

	2015			
	As Previously Reported	Adjustment Recorded	As Restated	
Increase (Decrease) **Statement of Financial Position**				
Net Assets	$ 8,713,967	$ (79,873)	$ 8,634,094	
Endowments	1,845,067	68,847	1,913,914	(Note 14)
	10,559,034	(11,026)	10,548,008	

Note 20 Subsequent Events

(in thousands)

Effective April 1, 2016 accountability and funding for select employment, learning and training programs and services will be transferred from Human Services. Budget 2016 includes revenues of $77,491 and expenses of $76,188 for the 2016-17 fiscal year.

In May 2016, wildfires seriously affected Fort McMurray and surrounding communities. The government is in the process of providing financial assistance for uninsurable loss and damage through its Disaster Recovery Programs (DRP). The DRP is administered and funded by Alberta Emergency Management Agency through the authority of the Disaster Recovery Regulation.

The Province, subject to certain criteria, will recover part of the above costs from the federal government through the Disaster Financial Assistance Arrangement, after approval through its Order in Council.

The financial impact on the Ministry is uncertain at this stage.

Note 21 Comparative Figures

Certain 2015 figures have been reclassified to conform to the 2016 presentation.

Note 22 Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the Deputy Minister and the Senior Financial Officer.

Schedules to the Consolidated Financial Statements

for the year ended March 31, 2016

Schedule 1

Consolidated Revenues

(in thousands)

for the year ended March 31, 2016	2016 Actual	2015 Actual (Restated Note 4)
Government Transfers		
Government of Alberta Grants		
Alberta Heritage Scholarship Fund	$ 49,011	$ 37,521
Access to the Future Fund	—	52,483
Public Post-Secondary Institutions	333,597	320,058
	382,608	410,062
Government of Canada Grants		
Public Post-Secondary Institutions	293,329	300,024
Other	8,248	8,387
	301,577	308,411
Investment Income		
Interest on Student Loans Issued	19,492	16,228
Public Post-Secondary Institutions	182,481	250,340
Other	559	954
	202,532	267,522
Loss from Government Business Enterprises (Schedule 5)	(3,675)	(764)
Premiums, Fees and Licences		
Apprenticeship Services	5,174	6,928
Licence Fees	2,663	179
Other	—	3
	7,837	7,110
Tuition and Non-Credit Courses	1,157,663	1,115,828
Sales, Rentals and Services	584,660	599,078
Donations, Grants and Contributions	402,564	394,903
Other Revenue		
Refunds of Expenditure	5,811	4,333
Miscellaneous	1,433	4,196
Endowment Contributions and Reinvested Income (Note 14)	80,093	155,031
	87,337	163,560
	$ 3,123,103	$ 3,265,710

Schedule 2

Consolidated Expenses – Directly Incurred Detailed by Object

(in thousands)

for the year ended March 31, 2016	2016 Actual	2015 Actual (Restated Note 4)
Salaries, Wages and Employee Benefits	$ 3,385,914	$ 3,237,474
Supplies and Services	1,325,273	1,278,478
Grants	451,910	468,758
Amortization of Tangible Capital Assets (Note 12)	486,065	481,209
Interest on Long-Term Debt	37,962	34,302
Provision – Student Aid	41,258	44,146
Other (1)	28,015	20,546
	5,756,397	5,564,913
Less: Recoveries from Support Service Arrangements with Related Parties (2)	(1,819)	(2,899)
	$ 5,754,578	$ 5,562,014

(1) This amount includes Provisions - Pensions, Employee Benefits, and Doubtful Accounts.

(2) The Ministry provides information technology, human services, and administrative services to the Ministry of Labour. Costs for these services are recovered from that Ministry.

Schedule 3

Consolidated Allocated Costs

(in thousands)

for the year ended March 31, 2016	2016					2015
		Expenses – Incurred by Others				
	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Business Services (4)	Total Expenses	Total Expenses (Restated Note 4)
Program						
Public Post-Secondary Institutions	$ 5,380,288	$ —	$ —	$ —	$ 5,380,288	$ 5,171,043
Department						
Support for Adult Learning	75,024	1,305	153	—	76,482	76,211
Apprenticeship Delivery	42,639	3,076	63	—	45,778	43,682
Alberta Centennial Education Savings Plan	13,533	—	—	—	13,533	16,785
Student Aid	209,901	1,497	79	—	211,477	230,060
Ministry Support Services	33,193	1,964	452	3,943	39,552	35,636
	$ 5,754,578	$ 7,842	$ 747	$ 3,943	$ 5,767,110	$ 5,573,417

(1) Expenses – Directly Incurred as per Consolidated Statement of Operations.

(2) Costs are as shown for Accommodation on Schedule 6 and are allocated by proportion of full-time equivalent staff in the Department, as this is the only entity that has costs incurred by others.

(3) Costs are as shown for Legal Services on Schedule 6 and allocated by estimated costs incurred by each program.

(4) Costs are as shown for Business Services on Schedule 6, including Shared Services, Internal Audit and GOA Learning Centre, and are allocated only to Ministry Support Services as the services relate to Ministry support functions.

Schedule 4

Consolidated Portfolio Investments

(in thousands)

as at March 31, 2016	2016		2015	
	Value at Cost	Fair Value	Value at Cost (Restated Note 4)	Fair Value (Restated Note 4)
Interest-Bearing Securities				
Deposits and Short-Term Securities	$ 831,051	$ 834,889	$ 859,434	$ 860,231
Bonds and Mortgages	1,677,299	1,691,718	1,688,830	1,739,287
Floating Rate Notes	29,612	51,432	29,612	51,370
	2,537,962	2,578,039	2,577,876	2,650,888
Equities				
Canadian Equities	530,921	565,658	435,653	607,964
Foreign Equities	764,697	915,170	751,081	888,550
Pooled Hedged Funds	67,218	70,819	82,236	74,641
Polled Investment Funds	635,211	777,134	559,000	734,737
	1,998,047	2,328,781	1,827,970	2,305,892
Inflation Sensitive and Alternative Investments				
Real Estate Funds	63,893	88,513	46,200	83,006
Other Investments	2,688	2,924	1,095	1,095
	66,581	91,437	47,295	84,101
Total Portfolio Investments	$ 4,602,590	$ 4,998,257	$ 4,453,141	$ 5,040,881

	2016		2015	
	Value at Cost	Fair Value	Value at Cost (Restated Note 4)	Fair Value (Restated Note 4)
Non-Endowment	$ 2,595,118	$ 2,718,133	$ 2,539,227	$ 2,728,223
Restricted for Endowments	2,007,472	2,280,124	1,913,914	2,312,658
Total Portfolio Investments	$ 4,602,590	$ 4,998,257	$ 4,453,141	$ 5,040,881

Schedule 5

Equity in Government Business Enterprises

(in thousands)

as at March 31, 2016	2016	2015 (Restated)
Accumulated Deficit, Beginning of Year	$ (1,924)	$ (141)
Total Revenue	4,266	7,506
Total Expense	7,941	8,270
Loss from Commercial Operations	(3,675)	(764)
Transfer from (to) Share Capital	119	(19)
Dividends Paid	(1,000)	(1,000)
	(881)	(1,019)
Accumulated Deficit, End of Year	$ (6,480)	$ (1,924)
Represented by:		
Assets		
Financial Assets	$ 30,387	$ 31,004
Non-Financial Assets	9,297	380
	39,684	31,384
Liabilities		
Accounts Payable	8,065	4,714
Debt	17,267	7,536
	25,332	12,250
	$ 14,352	$ 19,134
Equity (Deficiency) in Government Business Enterprises, End of Year as reported by the entities:		
Keyano College	$ 13,873	$ 14,101
Northern Alberta Institute of Technology (1)	639	686
Olds College	2,466	2,757
Southern Alberta Institute of Technology (1)	999	1,004
University of Calgary	(3,625)	586
MacEwan University	—	—
University of Alberta	—	—
	$ 14,352	$ 19,134
Advances		
Advances to Keyano Land Trust	$ 12,291	$ 12,588
Advances to Olds College Trust	3,308	3,118
	$ 15,599	$ 15,706

(1) The amount represents the percentage equity owned by the Ministry:

Northern Alberta Institute of Technology - 33%

Southern Alberta Institute of Technology - 42%

Schedule 6

Consolidated Related Party Transactions

(in thousands)

for the year ended March 31, 2016

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include key management personnel in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Ministry had the following transactions with related parties which are recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	2016	2015 (Restated Note 4)
Revenues		
Grants	$ 382,629	$ 385,140
Other	43,350	47,089
	$ 425,979	$ 432,229
Expenses – Directly Incurred		
Grants	$ 6,348	$ 3,244
Other Services	59,999	56,170
	$ 66,347	$ 59,414
Receivables from	$ 20,499	$ 14,551
Payables to	$ 14,768	$ 10,960
Deferred Revenue	$ 388,497	$ 370,403
Debt to Related Parties	$ 976,045	$ 987,743
Contractual Obligations	$ 6,401	$ 6,460

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements. Accommodation, Legal expenses and Shared Service costs incurred by others are disclosed in Schedule 3.

	2016	2015 (Restated Note 4)
Expenses – Incurred by Others		
Accommodation	$ 7,842	$ 7,163
Legal	747	697
Shared Services	3,820	3,443
Internal Audit	50	47
GOA Learning Centre	73	53
	$ 12,532	$ 11,403

Schedule 7

Entities Included in the Consolidated Financial Statements

Department of Advanced Education

Funds

- Access to the Future Fund

Public Post-Secondary Institutions

- **Comprehensive Academic and Research Institutions**
  - Athabasca University
  - University of Alberta
  - University of Calgary
  - University of Lethbridge
- **Baccalaureate and Applied Studies Institutions**
  - MacEwan University
  - Mount Royal University
- **Polytechnical Institutions**
  - Northern Alberta Institute of Technology
  - Southern Alberta Institute of Technology
- **Comprehensive Community Institutions**
  - Bow Valley College
  - Grande Prairie Regional College
  - Keyano College
  - Lakeland College
  - Lethbridge College
  - Medicine Hat College
  - NorQuest College
  - Northern Lakes College
  - Olds College
  - Portage College
  - Red Deer College
- **Specialized Arts and Culture Institutions**
  - Alberta College of Art + Design
  - The Banff Centre

Government Business Enterprises

- Keyano College Land Trust
- Olds College Trust
- PanGlobal Training Systems Ltd.
- PetroSkills Operations & Maintenance LLC
- University Technologies Group
- West Campus Development Corporation
- MacEwan Downtown Corporation
- University of Alberta Properties Trust Inc.

advancededucation.alberta.ca/ministry/reports/annualreports/

Department of Advanced Education
Financial Statements

March 31, 2016

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AUDITOR
GENERAL
Alberta

Independent Auditor's Report

To the Minister of Advanced Education

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Advanced Education, which comprise the statement of financial position as at March 31, 2016, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Advanced Education as at March 31, 2016, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]
Auditor General

June 1, 2016
Edmonton, Alberta

Statement of Operations

for the year ended March 31, 2016 *(in thousands)*

	2016		2015
	Budget	Actual	Actual (Restated Note 3)
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Grants	$ 46,699	$ 49,011	$ 37,521
Government of Canada Grants	7,740	8,248	8,387
Investment Income	15,700	19,492	16,228
Premiums, Fees and Licences	9,455	8,000	9,608
Other	3,425	7,017	5,860
	83,019	91,768	77,604
Expenses – Directly Incurred (Note 2(b) and Schedules 3, 4, 6)			
Programs			
Ministry Support Services	30,820	33,324	30,187
Support for Adult Learning	2,375,296	2,336,650	2.234,616
Apprenticeship Delivery	43,080	46,108	43,885
Student Aid	227,952	209,804	228,478
Post-Secondary Infrastructure	212,925	213,038	230,846
Alberta Centennial Education Savings Plan	19,000	13,533	16,785
	2,909,073	2,852,457	2,784,797
Annual Deficit	$(2,826,054)	$(2,760,689)	$(2,707,193)

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

as at March 31, 2016 *(in thousands)*

	2016	2015 (Restated Note 3)
Financial Assets		
Cash	$ 10,451	$ 7,534
Accounts Receivable (Note 4)	19,676	15,019
Loans Receivable (Note 5)	1,723,349	1,361,180
	1,753,476	1,383,733
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	48,231	73,652
Deferred Revenue	522	611
	48,753	74,263
Net Financial Assets	1,704,723	1,309,470
Non-Financial Assets		
Tangible Capital Assets (Note 7)	24,372	26,418
Net Assets	$ 1,729,095	$ 1,335,888
Net Assets		
Net Assets, Beginning of Year	$ 1,335,888	$ 1,128,418
Annual Deficit	(2,760,689)	(2,707,193)
Net Financing Provided from General Revenues	3,153,896	2,914,663
Net Assets, End of Year	$ 1,729,095	$ 1,335,888

Contingent Liabilities and Contractual Obligations (Notes 8 and 9)

The accompanying notes and schedules are part of these financial statements.

Statement of Change in Net Financial Assets

for the year ended March 31, 2016 *(in thousands)*

	2016		2015
	Budget	Actual	Actual (Restated Note 3)
Annual Deficit	$(2,826,054)	$(2,760,689)	$(2,707,193)
Acquisition of Tangible Capital Assets	(4,415)	(4,007)	(4,187)
Amortization of Tangible Capital Assets	6,350	6,000	4,920
Write-down of Tangible Capital Assets	—	53	—
Net Financing Provided from General Revenue		3,153,896	2,914,663
Increase in Net Financial Assets		395,253	208,203
Net Financial Assets, Beginning of Year		1,309,470	1,101,267
Net Financial Assets, End of Year		$ 1,704,723	$ 1,309,470

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

for the year ended March 31, 2016 *(in thousands)*

	2016	2015 (Restated Note 3)
Operating Transactions		
Annual Deficit	$(2,760,689)	$(2,707,193)
Non-Cash Items included in Net Operating Results		
Amortization of Tangible Capital Assets (Note 7)	6,000	4,920
Provision for Future Cost of Student Loans Issued	41,258	44,146
Student Loan Valuation Adjustments	(7,251)	(10,859)
Provision for Vacation Pay	97	358
Write-down of Tangible Capital Assets	53	—
	(2,720,532)	(2,668,628)
(Increase) / Decrease in Accounts Receivable	(4,657)	12,301
Increase / (Decrease) in Accounts Payable and Accrued Liabilities	(25,518)	19,573
Decrease in Deferred Revenue	(89)	(240)
Cash Applied to Operating Transactions	(2,750,796)	(2,636,994)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 7)	(4,007)	(4,187)
Cash Applied to Capital Transactions	(4,007)	(4,187)
Investing Transactions		
Loans Receivable		
Student Loan Disbursements	(534,889)	(392,262)
Student Loan Repayments	138,713	120,425
Cash Applied to Investing Transactions	(396,176)	(271,837)
Financing Transactions		
Net Financing Provided from General Revenues	3,153,896	2,914,663
Cash Provided by Financing Transactions	3,153,896	2,914,663
Increase in Cash	2,917	1,645
Cash, Beginning of Year	7,534	5,889
Cash, End of Year	$ 10,451	$ 7,534

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

March 31, 2016

Note 1 *Authority and Purpose*

The Department of Advanced Education operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

Advanced Education strives to engage Albertans in learning to build a resilient economy and a thriving society.

Note 2 *Summary of Significant Accounting Policies and Reporting Practices*

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Reporting Entity

The reporting entity is the Department of Advanced Education, which is part of the Ministry of Advanced Education and for which the Minister of Advanced Education is accountable. Other entities reporting to the Minister are the Access to the Future Fund and Public Post-Secondary Institutions. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the President of Treasury Board and Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenue

All revenues are reported on the accrual basis of accounting.

Government Transfers

Transfers from the Government of Alberta, federal and other governments are referred to as government transfers.

Government transfers are recorded as deferred capital contributions and deferred revenue if the eligibility criteria of the transfer, or the stipulations together with the Department's actions and communications as to the use of the transfers create a liability. These transfers are recognized as revenues as the stipulations are met, and when applicable, the Department complies with its communicated uses of these transfers.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the transfer is authorized and the Department meets the eligibility criteria (if any).

Deferred Revenue

Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Credit or Recovery

Credit or recovery initiatives provide a basis for authorizing spending. Credits or recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the Department may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the Department's credit or recovery initiatives.

Summary of Significant Accounting Policies and Reporting Practices *(continued)*

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets,
- pension costs, which are the cost of employer contributions for current service of employees during the year, and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments represent the change in management's estimate of future payments arising from obligations relating to student loans and employee vacation pay.

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other entities in support of the Department operations are not recognized and are disclosed in Schedule 6 and allocated to programs in Schedule 7.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of Cash, Accounts Receivable, Accounts Payable and Accrued Liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments. The fair values of Loans Receivable are not reported as there is no organized financial market for all of the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees, students and other individuals.

Accounts receivable are recorded at the lower of cost or net recoverable.

Loans receivable are recorded at cost net of the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

Liabilities

Liabilities are present obligations of a government to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

Non-Financial Assets

Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

(a) are normally employed to deliver government services;

(b) may be consumed in the normal course of operations; and

(c) are not for sale in the normal course of operations.

Non-financial assets of the Department are limited to tangible capital assets.

Tangible Capital Assets

Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000.

Amortization is only charged if the tangible capital asset is put into service.

Note 2 **Summary of Significant Accounting Policies and Reporting Practices** *(continued)*

Measurement Uncertainty *(in thousands)*

Measurement uncertainty exists when there is variance between the recognized or disclosed amount and another reasonably possible amount.

The areas subject to measurement uncertainty are student loans receivable (Note 5) which consists of:

- the allowance for impaired loans amounting to $174,813 (2015 - $135,128),
- the allowance for loan subsidy amounting to $33,071 (2015 - $40,597) and
- the allowance for repayment assistance amounting to $4,264 (2015 - $3,200).

The Department has made certain estimates in the following areas:

- Recovery and default rates in the determination of the allowance for impaired loans.
- Blended student lending rate; the annual average provincial borrowing rate; the average repayment period, default rate, and repayment assistance rate in the determination of the allowance for loan subsidy.
- Future loan amounts approved for repayment assistance and loan forgiveness rates in the determination of the allowance for repayment assistance.

Changes in these estimates could materially impact the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

Government Endowment Funds for Scholarships *(in thousands)*

The Alberta Heritage Scholarship Fund operates under the *Alberta Heritage Scholarship Act* for the purpose of investing the endowment fund to make income available for scholarships.

The Ministry of Treasury Board and Finance controls this endowment. However, the Department of Advanced Education has an economic interest in the endowment as it assists in funding department programs. Additional information on the endowment can be found in the financial statements for Alberta Treasury Board and Finance.

	Net Assets			
	2016		2015	
	Value at Cost	Fair Value	Value at Cost	Fair Value
Alberta Heritage Scholarship Fund	$ 1,107,922	$ 1,213,873	$ 1,062,823	$ 1,205,862

(c) Change in Accounting Policy

A net debt model (with reclassification of comparatives) has been adopted for the presentation of financial statements. Net Debt or Net Financial Assets is measured as the difference between the department's financial assets and liabilities.

The effect of this change results in changing the presentation of the Statement of Financial Position and adding an additional Statement of Change in Net Financial Assets.

(d) Future Accounting Changes

In June 2015 the Public Sector Accounting Board issued these following accounting standards:

PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)

PS 2200 defines a related party and establishes disclosures required for related party transactions; PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. Management is currently assessing the impact of these standards on the financial statements.

PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)

PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights. Management is currently assessing the impact of these standards on the financial statements.

Note 2 **Summary of Significant Accounting Policies and Reporting Practices** *(continued)*

PS 3430 Restructuring Transactions (effective April 1, 2018)

This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities. Management is currently assessing the impact of these standards on the financial statements.

PS 3450 Financial Instruments (effective April 1, 2019)

In June 2011 the Public Sector Accounting Board issued this accounting standard effective April 1, 2019. The Department has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier. Adoption of this standard requires corresponding adoption of: PS 2601 Foreign Currency Translation; PS 1201 Financial Statement Presentation; and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. Management is currently assessing the impact of these standards on the financial statements.

Note 3 Government Reorganization

(in thousands)

Program Transfer

As a result of government restructuring on October 22, 2015, responsibility was transferred to the newly formed Department of Economic Development and Trade for the following programs – Technology and Industry Partnerships, Economic Development and Innovation, and 2013 Alberta Flooding.

Comparatives for 2015 have been restated as if the Department had always been assigned with its current responsibilities.

Net assets on March 31, 2014 are made up as follows:

Net Assets as previously reported by the Department of Advanced Education	$ 1,120,026
Transfer to the Department of Economic Development and Trade	8,392
Net Assets at March 31, 2014	$ 1,128,418

Net financial assets on March 31, 2014 are made up as follows:

Net Financial Assets as previously reported by the Department of Advanced Education	$ 1,092,875
Transfer to the Department of Economic Development and Trade	8,392
Net Financial Assets at March 31, 2014	$ 1,101,267

Note 4 Accounts Receivable

(in thousands)

	2016	2015
Government of Canada	$ 15,943	$ 12,231
Accrued Interest Receivable on Loans	1,675	1,307
Other	2,058	1,481
	$ 19,676	$ 15,019

Accounts receivable are unsecured and non-interest bearing.

Note 5 Loans Receivable

(in thousands)

	2016	2015
Loans Receivable	$ 1,935,497	$ 1,540,105
Less:		
Allowance for Impaired Loans	(174,813)	(135,128)
Allowance for Loan Subsidy	(33,071)	(40,597)
Allowance for Repayment Assistance	(4,264)	(3,200)
	$ 1,723,349	$ 1,361,180

Under the Alberta Student Aid Program, loans are provided by the Department to qualifying students on terms prescribed by the Minister of Advanced Education.

Loans become payable and interest is earned starting six months after students discontinue their studies or graduate. Loans are unsecured and are repayable to a maximum term of 114 months. The interest rates on student loans are a floating rate of prime or a fixed rate of prime plus 2%.

Loans are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or
- the borrower has failed to make payments for a period of 150 days, or
- interest is owing to the Province for a period of 180 days.

When loans are classified as impaired, interest ceases to accrue.

Loans receivable are stated at cost net of the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

The allowance for impaired loans is a provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default rates of 5.81% (2015 - 5.67%) and recovery rates of 30% (2015 - 31%).

The allowance for loan subsidy is a provision that reflects the future benefit provided to students. This benefit is a result of favorable loan terms where the Department does not receive interest payments over the term of the loans to fully cover the Department's cost of financing the loan portfolio. Changes in future year estimates are expensed and amortized on the allowance for loan subsidy over the estimated life of the student loan. The key assumptions used to determine this provision are a blended student lending rate of 3.49% (2015 - 3.54%), the annual average provincial borrowing rate of 2.5% (2015 - 2.78%), the average repayment period of 9 years (2015 - 8 years), default rate assumptions, and Repayment Assistance Plan rate assumptions.

The allowance for repayment assistance is a provision that estimates the amount of loans receivable that will be forgiven by the Department through the repayment assistance program. The key assumptions used to determine this provision are the future loan amounts approved for repayment assistance and loan forgiveness rates of 7.4% (2015 - 7.6%).

Note 6 Accounts Payable and Accrued Liabilities

(in thousands)

	2016	2015 (Restated Note 3)
Accounts Payable	$ 3,049	$ 2,058
Accrued Liabilities:		
Grants	22,129	60,737
Vacation	6,420	6,323
Other (1)	16,633	4,534
	$ 48,231	$ 73,652

(1) $9,404 (2015- $0) is represented by Payments Under Agreement (Note 10).

Note 7 *Tangible Capital Assets*

(in thousands)

	2016			2015
	Equipment (1)	Computer Hardware and Software	Total	Total (Restated Note 3)
Estimated Useful Life	5-10 years	3-10 years		
Historical Cost (2)				
Beginning of Year	$ 195	$ 61,850	$ 62,045	$ 58,916
Additions	31	3,976	4,007	4,187
Disposals, including Write-downs	—	(3,276)	(3,276)	(1,058)
	226	62,550	62,776	62,045
Accumulated Amortization				
Beginning of Year	126	35,501	35,627	31,765
Amortization Expense	20	5,980	6,000	4,920
Effect of Disposals	—	(3,223)	(3,223)	(1,058)
	146	38,258	38,404	35,627
Net Book Value at March 31, 2016	$ 80	$ 24,292	$ 24,372	
Net Book Value at March 31, 2015	$ 69	$ 26,349		$ 26,418

(1) Equipment includes office equipment.

(2) Historical cost includes work-in-progress at March 31, 2016 totaling $8,895 (2015 - $12,813) comprised of computer software development projects.

Note 8 *Contingent Liabilities*

(in thousands)

The Department is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities. The Department has been named in one claim of which the outcome and amount is not determinable (2015 - nil).

Note 9 *Contractual Obligations*

(in thousands)

Contractual obligations are obligations of the Department to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2016	2015 (Restated Note 3)
Obligations under Contracts and Programs	$ 202,411	$ 219,826
Capital Grants	543,450	705,675
	$ 745,861	$ 925,501

Estimated payment requirements for each of the next five years are as follows:

	Contracts and Programs	Capital Grants	Total
2016-17	$ 66,326	$ 186,225	$ 252,551
2017-18	33,428	162,225	195,653
2018-19	17,657	20,000	37,657
2019-20	17,000	45,800	62,800
2020-21	17,000	129,200	146,200
Thereafter	51,000	—	51,000
	$ 202,411	$ 543,450	$ 745,861

Note 10 Payments Under Agreement

(in thousands)

The Department has entered into agreements to deliver programs that are fully funded by the Government of Canada. Costs under these agreements are incurred by the Department under authority of section 25 of the *Financial Administration Act*. Accounts Payable includes $9,404 (2015 - $915 Accounts Receivable) relating to payments under agreement.

Effective for study periods starting August 1, 2016, federal grants to students will be issued directly from the National Student Loan Service Centre. A payable to the federal government exists as a result of collections on federal grant overpayments.

Government of Canada

Net amounts paid and (payable) under agreements on behalf of the Government of Canada:

	2016	2015
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	$ (4)	$ (7)
Government of Canada		
Canada Study Grants	(6)	(15)
Canada Student Grants	8,637	75,019
	$ 8,627	$ 74,997

Note 11 Benefit Plans

(in thousands)

The Department participates in the following multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $7,907 for the year ended March 31, 2016 (2015 - $7,916 restated). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2015, the Management Employees Pension Plan reported a surplus of $299,051 (2014 - surplus $75,805), the Public Service Pension Plan reported a deficiency of $133,188 (2014 - deficiency $803,299) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of $16,305 (2014 - deficiency $17,203).

The Department also participates in two multi-employer Long-term Disability Income Continuance Plans. At March 31, 2016, the Bargaining Unit Plan reported an actuarial surplus of $83,006 (2015 - surplus $86,888) and the Management, Opted Out and Excluded Plan an actuarial surplus of $29,246 (2015 - surplus $32,343). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 12 Subsequent Events

(in thousands)

Effective April 1, 2016 accountability and funding for select employment, learning and training programs and services will be transferred from Human Services. Budget 2016 includes revenues of $77,491 and expenses of $76,188 in 2016-17 for the programs transferred.

Note 13 Comparative Figures

Certain 2015 figures have been reclassified to conform to the 2016 presentation.

Note 14 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedules to the Financial Statements

for the year ended March 31, 2016

Schedule 1

Revenues

(in thousands)

for the year ended March 31, 2016	2016 Budget	2016 Actual	2015 Actual (Restated Note 3)
Government Transfers			
Government of Alberta Grants	$ 46,699	$ 49,011	$ 37,521
Government of Canada Grants	7,740	8,248	8,387
	54,439	57,259	45,908
Investment Income			
Interest on Student Loans Issued	15,700	19,492	16,228
Premiums, Fees and Licences			
Apprenticeship Services	7,000	5,174	6,929
Fees and Licences	2,455	2,826	2,679
	9,455	8,000	9,608
Other Revenue			
Refund of Expenditure	1,400	5,808	4,330
Other	2,025	1,209	1,530
	3,425	7,017	5,860
	$ 83,019	$ 91,768	$ 77,604

Schedule 2

Credit or Recovery

(in thousands)

for the year ended March 31, 2016	2016 Authorized	2016 Actual Revenue Recognized	2016 Deferred Revenue	2016 Actual Revenue Received/ Receivable	2016 (Shortfall) / Excess
Information and Technology Management Services (1)	$ 2,025	$ 1,153	$ —	$ 1,153	$ (872)
Canada Student Loan Administration (2)	3,000	3,300	—	3,300	300
Apprenticeship Services (3)	7,000	5,174	522	5,696	(1,304)
Foreign Qualification Recognition (4)	440	376	—	376	(64)
French Language Program (5)	4,300	4,572	—	4,572	272
	$ 16,765	$ 14,575	$ 522	$ 15,097	$ (1,668)

This schedule is required by Section 24(3) of the *Financial Administration Act*.

The revenue of each credit or recovery is included in the Department's revenue. The shortfall is deducted from current year's authorized spending as disclosed in Schedule 4 to the financial statements.

(1) Revenue collected from the provision of certain information and technology management services to stakeholders on a cost-recovery basis. Element 1.4 - Schedule 4.

(2) Funding is received from the federal government to administer Canada Student loans and grants to Alberta students on a cost-recovery basis. Element 4.1 - Schedule 4.

(3) Fees are collected for the provision of registration and assessment services to individuals seeking certification in designated trades and occupations. Consulting services are also provided on a cost-recovery basis to other countries and jurisdictions. Finally, apprenticeship technical training spaces in Alberta institutions are provided on a cost-recovery basis to the Yukon, Northwest Territories and Nunavut. Program 3 - Schedule 4.

(4) Funding is received from the federal government to develop consistent assessment and recognition processes and standards, improved information tools and communication materials to facilitate the recognition of internationally trained tradespeople. Alberta is leading this work on behalf of all Canadian Apprenticeship Authorities. Program 3 - Schedule 4.

(5) Funding is received from the federal government to support French minority language and second language education programs provided by post-secondary institutions and fellowships for individuals in full-time studies in French. Elements 2.2 and 4.2 - Schedule 4.

Schedule 3

Expenses – Directly Incurred Detailed by Object

(in thousands)

for the year ended March 31, 2016	2016		2015
	Budget	Actual	Actual (Restated Note 3)
Salaries, Wages and Employee Benefits	$ 64,391	$ 61,202	$ 62,771
Supplies and Services	59,836	61,591	61,282
Supplies and Services from Support Service Arrangements with Related Parties (1)	—	125	125
Grants	2,722,487	2,683,899	2,613,970
Amortization of Tangible Capital Assets	6,350	6,000	4,920
Total Expenses before Recoveries	2,853,064	2,812,817	2,743,068
Less Recovery from Support Service Arrangements with Related Parties (2)	(856)	(1,820)	(2,899)
Provision for Future Cost of Student Loans Issued	56,800	41,258	44,146
Other Expenditures	65	202	482
	$ 2,909,073	$ 2,852,457	$ 2,784,797

(1) The Department receives Freedom of Information and Privacy services from the Ministry of Human Services.

(2) The Department provides information technology, human services, and administrative services to the Department of Labour. Costs for these services are recovered from that department.

Schedule 4

Lapse/Encumbrance

(in thousands)

for the year ended March 31, 2016

		Voted Estimate (1)	Supplementary Estimate (2)	Adjustments (3)	Adjusted Voted Estimate	Voted Actuals (4)	Unexpended (Over expended)
Program - Operating							
1	**Ministry Support Services**						
1.1	Minister's Office	$ 751	$ —	$ —	$ 751	$ 786	$ (35)
1.2	Deputy Minister's Office	665	—	—	665	619	46
1.3	*Communications*	*1,343*	—	—	*1,343*	*1,431*	*(88)*
1.4	Strataegic and Corporate Services	25,525	—	—	25,525	27,309	(1,784)
1.5	Human Resources	2,181	—	—	2,181	2,429	(248)
		30,465	—	—	30,465	32,574	(2,109)
2	**Support for Adult Learning**						
2.1	Program Delivery Support	12,592	—	—	12,592	11,496	1,096
2.2	Operating Support for Post-Secondary Institutions	2,231,327	—	—	2,231,327	2,211,713	19,614
2.3	Academic Health Centres	21,000	—	—	21,000	21,000	—
2.4	Campus Alberta Innovations	32,822	—	—	32,822	31,852	970
2.5	Inter-Jurisdiction Programs	9,623	—	—	9,623	9,132	491
2.6	Community Education	22,227	—	—	22,227	22,242	(15)
2.7	Other Program Support	44,525	—	—	44,525	28,298	16,227
		2,374,116	—	—	2,374,116	2,335,733	38,383
3	**Apprenticeship Delivery**	41,645	—	—	41,645	44,731	(3,086)
		41,645	—	—	41,645	44,731	(3,086)
4	**Student Aid**						
4.1	Program Delivery Support	31,798	—	—	31,798	31,027	771
4.2	Scholarships	36,700	—	—	36,700	40,447	(3,747)
4.3	Grants and Bursaries	52,570	—	—	52,570	44,955	7,615
		121,068	—	—	121,068	116,429	4,639
Credit or Recovery (Shortfall) (Schedule 2)		—	—	(1,668)	(1,668)	—	(1,668)
Total		$ 2,567,294	$ —	$ (1,668)	$ 2,565,626	$ 2,529,467	$ 36,159
Lapse/(Encumbrance)							$ 36,159

This schedule is required by Section 24(4) of the *Financial Administration Act.*

(1) As per "Expense Vote by Program", "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" page of 2015-16 Government Estimates.

(2) Advanced Education did not require Supplementary Estimates for 2015-16.

(3) Adjustments include credit or recovery increases approved by Treasury Board and credit or recovery shortfalls (Schedule 2).

(4) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

Schedule 4

Lapse/Encumbrance *(continued)*

(in thousands)

for the year ended March 31, 2016	Voted Estimate (1)	Supplementary Estimate (2)	Adjustments (3)	Adjusted Voted Estimate	Voted Actuals (4)	Unexpended (Overexpended)
Program - Capital Investment						
1 Ministry Support Services						
1.4 Strategic and Corporate Services	$ 1,015	$ —	$ —	$ 1,015	$ 696	$ 319
2 Support for Adult Learning						
2.7 Other Program Support	—	—	—	—	483	(483)
3 Apprenticeship Delivery	790	—	—	790	1,724	(934)
4 Student Aid						
4.1 Program Delivery Support	2,610	—	—	2,610	1,104	1,506
	4,415	—	—	4,415	4,007	408
5 Post-Secondary Infrastructure						
5.1 Capital Expansion and Upgrading	152,225	—	—	152,225	152,576	(351)
5.2 Capital Maintenance and Renewal	60,700	—	—	60,700	60,462	238
	212,925	—	—	212,925	213,038	(113)
Total Capital	$ 217,340	$ —	$ —	$ 217,340	$ 217,045	$ 295
Lapse/(Encumbrance)						$ 295
Financial Transactions						
4 Student Aid						
4.4 Student Loan Disbursements	$ 579,000	$ —	$ —	$ 579,000	$ 536,779	$ 42,221
Total	$ 579,000	$ —	$ —	$ 579,000	$ 536,779	$ 42,221
Lapse/(Encumbrance)						$ 42,221

This schedule is required by Section 24(4) of the *Financial Administration Act*.

(1) As per "Expense Vote by Program", "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" page of 2015-16 Government Estimates.

(2) Advanced Education did not require Supplementary Estimates for 2015-16.

(3) Adjustments include credit or recovery increases approved by Treasury Board and credit or recovery shortfalls (Schedule 2).

(4) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

Schedule 5

Salary and Benefits Disclosure

(in thousands)

for the year ended March 31, 2016	2016				2015
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total (Restated Note 3)
Deputy Minister (4)(5)	$ 284	$ 1	$ 73	$ 358	$ 329
Executives:					
ADM, Advanced Learning and Community Partnerships	202	—	53	255	252
ADM, Apprenticeship and Student Aid (6)	127	—	36	163	229
ADM, Strategic and Corporate Services (7)	179	—	49	228	222
Executive Director, Senior Financial Officer	154	—	43	197	187
Executive Director, Human Resources (8)	198	4	51	253	204
Executive Director, Chief Information Officer (9)	145	—	39	184	197
Director, Communications (10)	117	—	31	148	159

(1) Base salary includes regular base salary and earnings such as acting pay.

(2) Other cash benefits include vacation payouts, lump sum payments, and car allowances. There were no bonuses or severance paid during the year.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, health spending account, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other non-cash benefits.

(5) The position was occupied by two incumbents during April to July 2015 and July 2015 to March 2016.

(6) The position was occupied during April/May 2015 and filled by another incumbent from October 2015 to March 2016.

(7) The position was occupied by three incumbents during the year. Incumbents were acting during May to October 2015.

(8) The position was occupied from April to September 2015. The position was filled by another incumbent from July 2015 to March 2016.

(9) The position was occupied by an acting incumbent during the year.

(10) The position and funding transferred from Executive Council in April 2015.

Schedule 6

Related Party Transactions

(in thousands)

for the year ended March 31, 2016

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta's financial statements.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Department had the following transactions with related parties which are recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities Outside the Ministry	
	2016	2015 (Restated Note 3)	2016	2015 (Restated Note 3)
Revenues				
Grants	$ —	$ —	$ 49,011	$ 37,521
Other	421	2,497	161	369
	$ 421	$ 2,497	$ 49,172	$ 37,890
Expenses – Directly Incurred				
Grants	$ 2,475,383	$ 2,390,231	$ 3,692	$ 676
Other Services	2,786	3,301	6,726	6,953
	$ 2,478,169	$ 2,393,532	$ 10,418	$ 7,629
Receivables from	$ 445	$ 173	$ —	$ —
Payables to	$ 11,838	$ 21,435	$ 155	$ 29
Contractual Obligations	$ 693,281	$ 882,374	$ —	$ —

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements. Accommodation, Legal, and Business Services expenses incurred by others are disclosed in Schedule 7.

	2016	2015 (Restated Note 3)
Expenses – Incurred by Others		
Accommodation	$ 7,842	$ 7,163
Legal	747	697
Shared Services	3,820	3,443
Internal Audit	50	47
GOA Learning Centre	73	53
	$ 12,532	$ 11,403

Schedule 7

Allocated Costs

(in thousands)

for the year ended March 31, 2016	2016					2015
		Expenses – Incurred by Others				
	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Business Services (4)	Total Expenses	Total Expenses (Restated Note 3)
Program						
Ministry Support Services	$ 33,324	$ 1,964	$ 452	$ 3,943	$ 39,683	$ 35,906
Support for Adult Learning	2,336,650	1,305	153	—	2,338,108	2,235,929
Apprenticeship Delivery	46,108	3,076	63	—	49,247	46,674
Student Aid	209,804	1,497	79	—	211,380	230,060
Post-Secondary Infrastructure	213,038	—	—	—	213,038	230,846
Alberta Centennial Education Savings Plan	13,533	—	—	—	13,533	16,785
	$ 2,852,457	$ 7,842	$ 747	$ 3,943	$ 2,864,989	$ 2,796,200

(1) Expenses – Directly Incurred as per Statement of Operations.

(2) Costs shown for Accommodations are allocated based on proportion of full-time-equivalent staff.

(3) Costs shown for Legal Services on Schedule 7 are allocated by estimated costs incurred by each program.

(4) Costs shown for Business Services include charges for IT support, vehicles, air transportation, internal audit services and other services on Schedule 6, allocated by costs in certain programs.

Schedule 8

Funding Provided to Post-Secondary Institutions

(in thousands)

for the year ended March 31, 2016		Operating Grants (1)		Grants for Infrastructure	
		2016	2015 (Restated Note 3)	2016	2015
Post-Secondary Institutions					
Comprehensive Academic and Research Institutions	Athabasca University	$ 40,555	$ 39,512	$ 1,793	$ 1,340
	University of Alberta	634,311	601,759	17,040	30,405
	University of Calgary	467,930	446,554	39,211	47,162
	University of Lethbridge	101,667	100,052	2,526	11,781
Baccalaureate and Applied Studies Institutions	MacEwan University	107,430	103,128	2,500	1,330
	Mount Royal University	94,013	86,283	27,376	15,150
Polytechnical Institutions	Northern Alberta Institute of Technology	188,931	175,723	47,116	68,766
	Southern Alberta Institute of Technology	165,401	158,416	4,373	2,717
Comprehensive Community Institutions	Bow Valley College	42,965	38,937	1,025	151
	Grande Prairie Regional College	47,272	45,457	1,721	1,322
	Keyano College	38,635	37,608	1,094	1,005
	Lakeland College	36,069	37,441	1,030	773
	Lethbridge College	45,749	46,658	21,176	11,683
	Medicine Hat College	32,830	31,813	824	598
	NorQuest College	46,934	45,104	35,546	29,377
	Northern Lakes College	31,576	30,609	605	411
	Olds College	30,039	28,455	4,209	672
	Portage College	23,136	22,486	485	2,892
	Red Deer College	52,826	51,227	1,246	2,019
Specialized Arts and Culture Institutions	Alberta College of Art + Design	14,244	12,215	372	356
	The Banff Centre	20,318	19,989	1,031	894
Total Public Post-Secondary Institutions		2,262,831	2,159,426	212,299	230,804
Independent Academic Institutions	Ambrose University College	2,717	2,660	—	—
	Burman University (1)	3,101	3,044	—	—
	Concordia University of Edmonton (2)	12,245	12,111	—	—
	St. Mary's University	3,544	3,232	—	—
	The King's University College	4,564	4,480	—	—
Private Vocational Schools	Columbia College	—	215	—	—
Other Colleges	Maskwachees Cultural College	708	640	—	—
	Mikai Sto Foundation	744	640	—	—
	Old Sun Community College	640	640	—	—
	University Nuhelot'įne Thaiyots'į (3)	783	640	—	—
	Yellowhead Tribal College	722	640	—	—
Total Funding Provided to Post-Secondary Institutions		$ 2,292,599	$ 2,188,368	$ 212,299	$ 230,804

(1) Formerly Canadian University College.

(2) Formerly Concordia University College of Alberta.

(3) Formerly Blue Quills First Nation College.

advancededucation.alberta.ca/ministry/reports/annualreports/

Access to the Future Fund

Financial Statements

March 31, 2016

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AUDITOR
GENERAL
Alberta

Independent Auditor's Report

To the Minister of Advanced Education

Report on the Financial Statements

I have audited the accompanying financial statements of the Access to the Future Fund, which comprise the statement of financial position as at March 31, 2016, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Access to the Future Fund as at March 31, 2016, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]
Auditor General

June 1, 2016
Edmonton, Alberta

Statement of Operations

for the year ended March 31, 2016 *(in thousands)*

	2016		2015
	Budget	Actual	Actual
Revenues			
Government Transfers			
Government of Alberta Grants	$ 53,217	$ —	$ 52,483
Investment Income	3,055	559	1,954
	56,272	559	54,437
Expenses (Note 2(b))			
Funding Provided to Eligible Recipients (Schedule 1)	59,550	10,000	150,000
Program Delivery Support	450	—	—
	60,000	10,000	150,000
Annual Deficit	$ (3,728)	$ (9,441)	$ (95,563)

The accompanying notes and schedule are part of these financial statements.

Statement of Financial Position

as at March 31, 2016 *(in thousands)*

	2016	2015
Financial Assets		
Cash (Note 4)	$ 65,890	$ 81,290
	65,890	81,290
Liabilities		
Accounts Payable and Accrued Liabilities	—	5,959
	—	5,959
Net Financial Assets	65,890	75,331
Net Assets	$ 65,890	$ 75,331
Net Assets		
Net Assets, Beginning of Year	$ 75,331	$ 170,894
Annual Deficit	(9,441)	(95,563)
Net Assets, End of Year	$ 65,890	$ 75,331

The accompanying notes and schedule are part of these financial statements.

Statement of Change in Net Financial Assets

for the year ended March 31, 2016 *(in thousands)*

	2016		2015
	Budget	Actual	Actual
Annual Deficit	$ (3,728)	$ (9,441)	$ (95,563)
Decrease in Net Financial Assets		(9,441)	(95,563)
Net Financial Assets, Beginning of Year		75,331	170,894
Net Financial Assets, End of Year		$ 65,890	$ 75,331

The accompanying notes and schedule are part of these financial statements.

Statement of Cash Flows

for the year ended March 31, 2016 *(in thousands)*

	2016	2015
Operating Transactions		
Annual Deficit	$ (9,441)	$ (95,563)
Increase / (Decrease) in Accounts Payable and Accrued Liabilities	(5,959)	5,959
Cash Applied to Operating Transactions	(15,400)	(89,604)
Decrease in Cash	(15,400)	(89,604)
Cash, Beginning of Year	81,290	170,894
Cash, End of Year	$ 65,890	$ 81,290

The accompanying notes and schedule are part of these financial statements.

Notes to the Financial Statements

March 31, 2016

Note 1 Authority and Purpose

The Access to the Future Fund (the Fund) operates under the authority of the *Access to the Future Act*.

Generally, the purpose of the Fund is to support innovation and excellence by enhancing and expanding opportunities for Albertans to participate in accessible, affordable and high-quality advanced education opportunities. Payments from the Fund were suspended during the third quarter of the current fiscal year.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Access to the Future Fund, which is part of the Ministry of Advanced Education and for which the Minister of Advanced Education is accountable. Other entities reporting to the Minister are the Department of Advanced Education and the Public Post-Secondary Institutions. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial positions and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting.

Government Transfers

Transfers from the Government of Alberta are referred to as government transfers.

Government transfers are recorded as deferred capital contributions and deferred revenue if eligibility criteria of the transfer, or the stipulations together with the Fund's actions and communications as to the use of the transfer create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Fund complies with its communicated uses of these transfers.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the transfer is authorized and the Fund meets the eligibility criteria (if any).

Expenses

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the Fund are limited to cash transferred or interest receivable from the General Revenue Fund of the Province of Alberta.

Liabilities

Liabilities are present obligations of the Fund to other organizations arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

(c) Change in Accounting Policy

A net debt presentation (with reclassification of comparatives) has been adopted for the presentation of financial statements. Net debt or Net Financial Assets is measured as the difference between the Fund's financial assets and liabilities.

The effect of this change results in changing the presentation of the Statement of Financial Position and adding an additional Statement of Change in Net Financial Assets.

Note 2 **Summary of Significant Accounting Policies and Reporting Practices** *(continued)*

(d) Future Accounting Changes

In June 2015 the Public Sector Accounting Board issued these following accounting standards:

PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)

PS 2200 defines a related party and establishes disclosures required for related party transactions; PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. Management is currently assessing the impact of these standards on the financial statements.

PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)

PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights. Management is currently assessing the impact of these standards on the financial statements.

PS 3430 Restructuring Transactions (effective April 1, 2018)

This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities. Management is currently assessing the impact of these standards on the financial statements.

PS 3450 Financial Instruments (effective April 1, 2019)

In June 2011, the Public Sector Accounting Board issued this accounting standard effective April 1, 2019. The Fund has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier. Adoption of this standard requires corresponding adoption of: PS 2601 Foreign Currency Translation; PS 1201 Financial Statement Presentation; and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. Management is currently assessing the impact of these standards on the financial statements.

Note 3 Advanced Education Endowment

The Advanced Education Endowment (the Endowment) is a notional account within the Alberta Heritage Savings Trust Fund (AHSTF) that was established by the *Access to the Future Act*. The notional balance provided below is used as a base to which a rate is applied to determine future cash transfers to the Access to the Future Fund.

(in thousands)	2016	2015 (Restated)
Opening Balance	$ 1,259,467	$ 1,166,281
Rate of Return Adjustment	58,817	145,669
Transfers	—	(52,483)
Closing Balance	$ 1,318,284	$ 1,259,467

A maximum of $3 billion can be allocated to the Endowment from within the AHSTF of which $750 million has been allocated in 2005-06 and $250 million in 2006-07. The balance includes accumulated inflation proofing to March 31, 2014 totalling $166 million. The requirement to inflation proof the Endowment in the Access to the Future Act was repealed on April 1, 2014. Starting April 1, 2014, the balance in the Endowment is adjusted for (a) the rate of return reported by the AHSTF for the year and (b) transfers to the Access to the Future Fund. As a result, the 2015 balance was restated.

Maximum transfers to the Access to the Future Fund are calculated as 4.5% of the average of the closing balances of the Endowment for the preceding three fiscal years. Effective in fiscal year 2015-16, transfers to the Access to the Future Fund are made from the General Revenue Fund (Section 4(7) of the *Access to the Future Act*). In 2014-15, transfers to the Access to the Future Fund came directly from the Heritage Fund. In 2015-16, no transfers were made to the Access to the Future Fund.

Note 4 Cash

Cash is deposited in the government's Consolidated Cash Investment Trust Fund which is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2016, securities held by the Fund have a time-weighted rate of return of 0.8% per annum (2015 - 1.2% per annum).

Note 5 Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta's financial statements.

The Fund had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties.

	Entities in the Ministry		Other Entities	
	2016	2015	2016	2015
Revenues				
Transfer from Department of Treasury Board and Finance	$ —	$ —	$ —	$ 52,483
Expenses – Directly Incurred				
Grants	$ 10,000	$ 146,728	$ —	$ —
Payable to	$ —	$ 4,968	$ —	$ —

The Fund has no employees and receives administration support from the Department of Advanced Education at no cost.

Note 6 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedule to the Financial Statements

Schedule 1

Funding Provided to Eligible Recipients

(in thousands)

for the year ended March 31, 2016	Operating		Capital	
	2016	2015	2016	2015
Public Post-Secondary Institutions				
Alberta College of Art + Design	$ —	$ 1,120	$ —	$ —
Athabasca University	—	1,120	—	—
Bow Valley College	—	1,200	—	—
Grande Prairie Regional College	—	1,120	—	—
Keyano College	—	2,148	—	—
Lakeland College	—	1,120	—	—
Lethbridge College	—	1,120	—	—
MacEwan University (1)	—	4,645	10,000	10,000
Medicine Hat College	—	1,120	—	—
Mount Royal University	—	5,370	—	—
NorQuest College	—	1,235	—	—
Northern Alberta Institute of Technology	—	5,370	—	—
Northern Lakes College	—	1,120	—	1,700
Olds College	—	2,148	—	1,100
Portage College	—	1,120	—	200
Red Deer College	—	3,695	—	—
Southern Alberta Institute of Technology	—	5,370	—	—
The Banff Centre	—	2,148	—	—
University of Alberta	—	58,714	—	—
University of Calgary	—	27,355	—	—
University of Lethbridge	—	5,370	—	—
	—	133,728	10,000	13,000
Accredited Private Not-for-Profit Post-Secondary Institutions				
Ambrose University College	—	430	—	—
Burman University (2)	—	430	—	—
Concordia University of Edmonton (3)	—	430	—	—
St. Mary's University College	—	430	—	—
The King's University College	—	430	—	—
	—	2,150	—	—
First Nations, Métis and Inuit Colleges				
Maskwachees Cultural College	—	187	—	—
Nechi Training, Research and Health Promotions Institute	—	187	—	—
Old Sun Community College	—	187	—	—
Red Crow Community College	—	187	—	—
University Nuhelot'įne Thaiyots'į (4)	—	187	—	—
Yellowhead Tribal College	—	187	—	—
	—	1,122	—	—
Total	$ —	$ 137,000	$ 10,000	$ 13,000

(1) Included in Budget 2016 is a final capital payment of $10,000 for the MacEwan University city centre project to be paid in 2017. The agreement is signed by the Department of Advanced Education and funded by the Access to the Future Fund.

(2) Formerly Canadian University College.

(3) Formerly Concordia University College of Alberta.

(4) Formerly Blue Quills First Nation College.

Summary Subsidiary Financial Statements

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Comprehensive Academic and Research Institutions

Summary Financial Statements (1)

for March 31, 2016

(in thousands)

	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University	2016 Totals	2015 Totals
Statement of Financial Position						
Financial Assets						
Cash and Cash Equivalents	$ 13,091	$ 63,464	$ 26,533	$ 2,729	$ 105,817	$ 298,331
Portfolio Investments - Non-Endowment	808,612	989,633	114,630	35,833	1,948,708	1,886,414
Portfolio Investments - Restricted for Endowment	1,149,716	772,337	56,810	3,417	1,982,280	2,034,454
Investment in Government Business Enterprises	—	(3,625)	—	—	(3,625)	586
Accounts Receivable	131,563	70,026	6,563	1,859	210,011	220,367
Inventories for Resale	3,325	5,748	704	1,710	11,487	12,124
	2,106,307	1,897,583	205,240	45,548	4,254,678	4,452,276
Liabilities						
Accounts Payable and Accrued Liabilities	174,971	147,564	10,048	10,030	342,613	401,587
Employee Future Benefit Liabilities	259,100	133,775	44,695	21,095	458,665	448,698
Debt	246,812	254,989	8,834	—	510,635	510,808
Deferred Revenue	509,728	537,553	44,962	23,441	1,115,684	1,141,243
	1,190,611	1,073,881	108,539	54,566	2,427,597	2,502,336
Net Financial Assets (Net Debt)	$ 915,696	$ 823,702	$ 96,701	$ (9,018)	$ 1,827,081	$ 1,949,940
Non-Financial Assets						
Tangible Capital Assets	$ 2,745,552	$ 1,795,078	$ 303,356	$ 56,948	$ 4,900,934	$ 4,848,042
Inventories of Supplies	—	—	72	—	72	54
Prepaid Expenses	8,517	20,852	1,719	2,118	33,206	38,765
	2,754,069	1,815,930	305,147	59,066	4,934,212	4,886,861
Net Assets before Deferred Capital Contributions	3,669,765	2,639,632	401,848	50,048	6,761,293	6,836,801
Spent Deferred Capital Contributions	1,992,440	1,258,267	195,574	43,218	3,489,499	3,529,392
Net Assets	$ 1,677,325	$ 1,381,365	$ 206,274	$ 6,830	$ 3,271,794	$ 3,307,409
Net Assets is comprised of:						
Accumulated Surplus	$ 1,540,519	$ 1,273,288	$ 205,116	$ 6,442	$ 3,025,365	$ 2,899,305
Accumulated Remeasurement Gains and Losses	136,806	108,077	1,158	388	246,429	408,104
	$ 1,677,325	$ 1,381,365	$ 206,274	$ 6,830	$ 3,271,794	$ 3,307,409

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(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

Comprehensive Academic and Research Institutions

Summary Financial Statements (1)

for March 31, 2016 *(in thousands)*

	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University	2016 Totals	2015 Totals
Statement of Operations						
Revenue	$ 1,839,971	$ 1,284,074	$ 218,096	$ 132,640	$ 3,474,781	$ 3,406,239
Expenses	1,806,909	1,272,824	203,949	133,207	3,416,889	3,272,931
Endowment Contributions and Capitalized Investment Income	29,299	31,118	7,714	37	68,168	195,946
Annual Surplus (Deficit)	$ 62,361	$ 42,368	$ 21,861	$ (530)	$ 126,060	$ 329,254
Statement of Cash Flows						
Cash and Cash Equivalents, Beginning of Year	$ 57,963	$ 199,870	$ 36,621	$ 3,877	$ 298,331	$ 430,538
Cash Provided by Operating Transactions	114,301	155,725	38,435	4,923	313,384	578,579
Cash Applied to Organizational Activities	(159,173)	(292,131)	(48,523)	(6,071)	(505,898)	(710,786)
Cash and Cash Equivalents, End of Year	$ 13,091	$ 63,464	$ 26,533	$ 2,729	$ 105,817	$ 298,331
Statement of Changes in Net Financial Assets (Net Debt)						
Annual Surplus (Deficit)	$ 62,361	$ 42,368	$ 21,861	$ (530)	$ 126,060	$ 329,254
Changes to Accounts Relating to Non-Financial Assets	(105,711)	(117,159)	(24,608)	(1,441)	(248,919)	11,712
Increase (Decrease) in Net Financial Assets (Net Debt) in the Year	(43,350)	(74,791)	(2,747)	(1,971)	(122,859)	340,966
Net Financial Assets (Net Debt), Beginning of Year	959,046	898,493	99,448	(7,047)	1,949,940	1,608,974
Net Financial Assets (Net Debt), End of Year	$ 915,696	$ 823,702	$ 96,701	$ (9,018)	$ 1,827,081	$ 1,949,940
Salary and Benefits of President Positions						
Base Salary	$ 547	$ 480	$ 428	$ 360		
Other Cash Benefits (2)	—	113	30	—		
Non-Cash Benefits (3)	341	350	229	17		
	$ 888	$ 943	$ 687	$ 377		

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Baccalaureate and Applied Studies Institutions

Summary Financial Statements (1)

for June 30, 2015 *(in thousands)*

	MacEwan University	Mount Royal University	2015 Totals	2014 Totals
Statement of Financial Position				
Financial Assets				
Cash and Cash Equivalents	$ 55,870	$ 51,850	$ 107,720	$ 63,708
Portfolio Investments - Non-Endowment	75,387	79,160	154,547	173,088
Portfolio Investments - Restricted for Endowment	48,635	50,447	99,082	90,787
Accounts Receivable	4,178	14,714	18,892	23,901
Inventories for Resale	1,918	725	2,643	3,270
Assets Held for Sale	12,448	—	12,448	—
	198,436	196,896	395,332	354,754
Liabilities				
Accounts Payable and Accrued Liabilities	41,455	35,455	76,910	64,794
Employee Future Benefit Liabilities	5,221	4,349	9,570	7,092
Debt	40,807	66,446	107,253	112,432
Deferred Revenue	36,924	35,036	71,960	68,160
Unspent Deferred Capital Contributions	6,997	31,785	38,782	26,623
	131,404	173,071	304,475	279,101
Net Financial Assets	$ 67,032	$ 23,825	$ 90,857	$ 75,653
Non-Financial Assets				
Tangible Capital Assets	$ 293,020	$ 303,925	$ 596,945	$ 548,633
Inventories of Supplies	—	36	36	145
Prepaid Expenses	5,469	(46)	5,423	4,826
	298,489	303,915	602,404	553,604
Net Assets before Deferred Capital Contributions	365,521	327,740	693,261	629,257
Spent Deferred Capital Contributions	144,439	213,775	358,214	317,548
Net Assets	$ 221,082	$ 113,965	$ 335,047	$ 311,709
Net Assets is comprised of:				
Accumulated Surplus	$ 211,950	$ 104,550	$ 316,500	$ 297,729
Accumulated Remeasurement Gains and Losses	9,132	9,415	18,547	13,980
	$ 221,082	$ 113,965	$ 335,047	$ 311,709

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(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

Baccalaureate and Applied Studies Institutions (continued)

Summary Financial Statements (1)

for June 30, 2015 *(in thousands)*

	MacEwan University	Mount Royal University	2015 Totals	2014 Totals
Statement of Operations				
Revenue	$ 230,360	$ 214,641	$ 445,001	$ 441,759
Expenses	221,303	213,222	434,525	433,556
Operating Surplus	$ 9,057	$ 1,419	$ 10,476	$ 8,203
Statement of Cash Flows				
Cash and Cash Equivalents, Beginning of Year	$ 14,411	$ 49,297	$ 63,708	$ 89,914
Cash Provided by Operating Transactions	22,083	54,592	76,675	72,233
Cash Provided by (Applied to) Organizational Activities	19,376	(52,039)	(32,663)	(98,439)
Cash and Cash Equivalents, End of Year	$ 55,870	$ 51,850	$ 107,720	$ 63,708
Statement of Changes in Net Financial Assets				
Annual Operating Surplus	$ 9,057	$ 1,419	$ 10,476	$ 8,203
Changes to Accounts Relating to Non-Financial Assets	4,670	58	4,728	14,760
Increase in Net Financial Assets in the Year	13,727	1,477	15,204	22,963
Net Financial Assets, Beginning of Year	53,305	22,348	75,653	52,690
Net Financial Assets, End of Year	$ 67,032	$ 23,825	$ 90,857	$ 75,653
Salary and Benefits of President Positions				
Base Salary	$ 314	$ 246		
Other Cash Benefits (2)	11	73		
Non-Cash Benefits (3)	85	91		
	$ 410	$ 410		

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(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Polytechnical Institutions

Summary Financial Statements (1)

for June 30, 2015 *(in thousands)*

	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2015 Totals	2014 Totals
Statement of Financial Position				
Financial Assets				
Cash and Cash Equivalents	$ 7,591	$ 144,831	$ 152,422	$ 198,948
Portfolio Investments - Non-Endowment	397,928	46,022	443,950	405,520
Portfolio Investments - Restricted for Endowment	40,292	30,673	70,965	67,091
Investment in Government Business Enterprises	—	999	999	1,004
Accounts Receivable	8,154	9,749	17,903	17,294
Inventories for Resale	2,614	1,162	3,776	4,000
Assets Held for Sale	—	1,633	1,633	1,633
	456,579	235,069	691,648	695,490
Liabilities				
Accounts Payable and Accrued Liabilities	45,610	49,869	95,479	86,767
Employee Future Benefit Liabilities	26,538	9,348	35,886	36,013
Debt	172,140	140,936	313,076	317,537
Deferred Revenue	41,110	41,374	82,484	78,812
Unspent Deferred Capital Contributions	22,278	11,817	34,095	70,960
Liability for Contaminated Sites	—	315	315	—
	307,676	253,659	561,335	590,089
Net Financial Assets (Net Debt)	$ 148,903	$ (18,590)	$ 130,313	$ 105,401
Non Financial Assets				
Tangible Capital Assets	$ 391,785	$ 733,893	$ 1,125,678	$ 1,041,510
Inventories of Supplies	610	13	623	539
Prepaid Expenses	3,875	2,475	6,350	4,882
	396,270	736,381	1,132,651	1,046,931
Net Assets before Deferred Capital Contributions	545,173	717,791	1,262,964	1,152,332
Spent Deferred Capital Contributions	263,879	459,619	723,498	647,775
Net Assets	$ 281,294	$ 258,172	$ 539,466	$ 504,557
Net Assets is comprised of:				
Accumulated Surplus	$ 272,037	$ 252,447	$ 524,484	$ 495,411
Accumulated Remeasurement Gains and Losses	9,257	5,725	14,982	9,146
	$ 281,294	$ 258,172	$ 539,466	$ 504,557

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(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

Polytechnical Institutions (continued)

Summary Financial Statements (1)

for June 30, 2015 *(in thousands)*

	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2015 Totals	2014 Totals
Statement of Operations				
Revenue	$ 348,970	$ 357,688	$ 706,658	$ 695,040
Expenses	338,059	340,880	678,939	635,266
Operating Surplus	$ 10,911	$ 16,808	$ 27,719	$ 59,774
Statement of Cash Flows				
Cash and Cash Equivalents, Beginning of Year	$ 64,496	$ 134,452	$ 198,948	$ 151,578
Cash Provided by Operating Transactions	82,093	52,256	134,349	187,425
Cash Applied to Organizational Activities	(138,998)	(41,877)	(180,875)	(140,055)
Cash and Cash Equivalents, End of Year	$ 7,591	$ 144,831	$ 152,422	$ 198,948
Statement of Changes in Net Financial Assets (Net Debt)				
Annual Operating Surplus	$ 10,911	$ 16,808	$ 27,719	$ 59,774
Changes to Accounts Relating to Non-Financial Assets	(4,482)	1,675	(2,807)	(24,966)
Increase in Net Financial Assets in the Year	6,429	18,483	24,912	34,808
Net Financial Assets (Net Debt), Beginning of Year	142,474	(37,073)	105,401	70,593
Net Financial Assets (Net Debt), End of Year	$ 148,903	$ (18,590)	$ 130,313	$ 105,401
Salary and Benefits of President Positions				
Base Salary	$ 309	$ 352		
Other Cash Benefits (2)	129	126		
Non-Cash Benefits (3)	132	153		
	$ 570	$ 631		

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Comprehensive Community Institutions

Summary Financial Statements (1)

for June 30, 2015 *(in thousands)*

	Bow Valley College	Grande Prairie Regional College	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	NorQuest College
Statement of Financial Position							
Financial Assets							
Cash and Cash Equivalents	$ 25,702	$ 2,200	$ 1,950	$ 2,778	$ 28,076	$ 6,000	$ 43,903
Portfolio Investments - Non-Endowment	51,843	22,911	14,450	28,329	30,424	15,205	15,695
Portfolio Investments - Restricted for Endowment	3,189	6,057	4,484	6,536	10,962	8,358	4,305
Investment in Government Business Enterprises	—	—	13,873	—	—	—	—
Accounts Receivable	3,813	1,080	3,975	1,410	1,276	844	2,450
Inventories for Resale	10	285	290	393	576	298	219
	84,557	32,533	39,022	39,446	71,314	30,705	66,572
Liabilities							
Accounts Payable and Accrued Liabilities	6,211	7,343	7,433	7,981	14,166	4,311	11,664
Employee Future Benefit Liabilities	1,084	1,046	—	—	—	332	1,490
Debt	171	14,920	22,965	1,440	8,446	2,650	272
Deferred Revenue	11,415	7,576	12,277	8,281	17,980	5,071	8,075
Unspent Deferred Capital Contributions	1,329	1,704	2,009	1,354	3,053	1,603	23,370
Liability for Contaminated Sites	—	—	—	111	—	—	—
	20,210	32,589	44,684	19,167	43,645	13,967	44,871
Net Financial Assets (Net Debt)	$ 64,347	$ (56)	$ (5,662)	$ 20,279	$ 27,669	$ 16,738	$ 21,701
Non-Financial Assets							
Tangible Capital Assets	$ 293,247	$ 70,749	$ 118,894	$ 85,451	$ 94,388	$ 79,800	$ 44,053
Inventories of Supplies	42	46	—	1,016	—	—	—
Prepaid Expenses	578	962	432	1,459	1,281	453	539
	293,867	71,757	119,326	87,926	95,669	80,253	44,592
Net Assets before Deferred Capital Contributions	358,214	71,701	113,664	108,205	123,338	96,991	66,293
Spent Deferred Capital Contributions	243,640	40,278	67,458	58,874	68,442	52,821	30,816
Net Assets	$ 114,574	$ 31,423	$ 46,206	$ 49,331	$ 54,896	$ 44,170	$ 35,477
Net Assets is comprised of:							
Accumulated Surplus	$ 109,423	$ 31,316	$ 44,914	$ 46,775	$ 51,929	$ 43,156	$ 35,477
Accumulated Remeasurement Gains and Losses	5,151	107	1,292	2,556	2,967	1,014	—
	$ 114,574	$ 31,423	$ 46,206	$ 49,331	$ 54,896	$ 44,170	$ 35,477

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

Comprehensive Community Institutions (continued)

Summary Financial Statements (1)

for June 30, 2015 *(in thousands)*

	Bow Valley College	Grande Prairie Regional College	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	NorQuest College
Statement of Operations							
Revenue	$ 95,515	$ 70,900	$ 77,800	$ 67,238	$ 83,766	$ 55,301	$ 78,125
Expenses	87,368	72,509	81,189	63,842	82,480	57,657	76,695
Operating Surplus (Deficit)	$ 8,147	$ (1,609)	$ (3,389)	$ 3,396	$ 1,286	$ (2,356)	$ 1,430
Statement of Cash Flows							
Cash and Cash Equivalents, Beginning of Year	$ 26,510	$ 1,927	$ 7,804	$ 17,548	$ 31,487	$ 10,006	$ 28,780
Cash Provided by Operating Transactions	10,450	3,406	1,406	7,781	20,781	1,930	4,996
Cash Provided by (Applied to) Organizational Activities	(11,258)	(3,132)	(7,260)	(22,551)	(24,192)	(5,937)	10,127
Cash and Cash Equivalents, End of Year	$ 25,702	$ 2,201	$ 1,950	$ 2,778	$ 28,076	$ 5,999	$ 43,903
Statement of Changes in Net Financial Assets (Net Debt)							
Annual Operating Surplus (Deficit)	$ 8,147	$ (1,609)	$ (3,389)	$ 3,396	$ 1,286	$ (2,356)	$ 1,430
Changes to Accounts Relating to Non-Financial Assets	(6,765)	(151)	(2,142)	(3,773)	69	703	(2,473)
Increase (Decrease) in Net Financial Assets (Net Debt) in the Year	1,382	(1,760)	(5,531)	(377)	1,355	(1,653)	(1,043)
Net Financial Assets (Net Debt), Beginning of Year	62,965	1,704	(131)	20,656	26,314	18,391	22,744
Net Financial Assets (Net Debt), End of Year	$ 64,347	$ (56)	$ (5,662)	$ 20,279	$ 27,669	$ 16,738	$ 21,701
Salary and Benefits of President Positions							
Base Salary	$ 288	$ 337	$ 253	$ 404	$ 290	$ 235	$ 326
Other Cash Benefits (2)	92	—	73	29	81	7	65
Non-Cash Benefits (3)	10	31	54	44	42	43	90
	$ 390	$ 368	$ 380	$ 477	$ 413	$ 285	$ 481

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Comprehensive Community Institutions (continued)

Summary Financial Statements (1)

for June 30, 2015 *(in thousands)*

	Northern Lakes College	Olds College	Portage College	Red Deer College	2015 Totals	2014 Totals (Restated)
Statement of Financial Position						
Financial Assets						
Cash and Cash Equivalents	$ 13,501	$ 8,480	$ 9,358	$ 4,595	$ 146,543	$ 148,545
Portfolio Investments - Non-Endowment	12,090	12,490	597	57,833	261,867	262,006
Portfolio Investments - Restricted for Endowment	1,663	9,365	2,043	15,502	72,464	70,409
Investment in Government Business Enterprises	—	2,466	—	—	16,339	16,858
Accounts Receivable	703	3,528	1,185	1,434	21,698	35,070
Inventories for Resale	26	1,116	193	—	3,406	3,702
	27,983	37,445	13,376	79,364	522,317	536,590
Liabilities						
Accounts Payable and Accrued Liabilities	4,757	6,202	3,161	15,553	88,782	89,130
Employee Future Benefit Liabilities	799	—	368	1,626	6,745	5,691
Debt	—	—	146	5,203	56,213	58,717
Deferred Revenue	7,538	11,745	3,554	21,544	115,056	103,528
Unspent Deferred Capital Contributions	3,112	3,145	1,771	10,140	52,590	70,834
Liability for Contaminated Sites	26	—	—	—	137	—
	16,232	21,092	9,000	54,066	319,523	327,900
Net Financial Assets (Net Debt)	$ 11,751	$ 16,353	$ 4,376	$ 25,298	$ 202,794	$ 208,690
Non-Financial Assets						
Tangible Capital Assets	$ 31,421	$ 75,027	$ 57,284	$ 107,036	$ 1,057,350	$ 1,026,958
Inventories of Supplies	331	—	13	65	1,513	1,180
Prepaid Expenses	273	595	255	884	7,711	7,447
	32,025	75,622	57,552	107,985	1,066,574	1,035,585
Net Assets before Deferred Capital Contributions	43,776	91,975	61,928	133,283	1,269,368	1,244,275
Spent Deferred Capital Contributions	23,448	62,496	49,171	82,069	779,513	764,815
Net Assets	$ 20,328	$ 29,479	$ 12,757	$ 51,214	$ 489,855	$ 479,460
Net Assets is comprised of:						
Accumulated Surplus	$ 19,616	$ 29,237	$ 12,598	$ 44,053	$ 468,494	$ 458,272
Accumulated Remeasurement Gains and Losses	712	242	159	7,161	21,361	21,188
	$ 20,328	$ 29,479	$ 12,757	$ 51,214	$ 489,855	$ 479,460

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

Comprehensive Community Institutions (continued)

Summary Financial Statements (1)

for June 30, 2015

(in thousands)

	Northern Lakes College	Olds College	Portage College	Red Deer College	2015 Totals	2014 Totals (Restated)
Statement of Operations						
Revenue	$ 41,975	$ 56,370	$ 35,191	$ 95,797	$ 757,978	$ 761,433
Expenses	42,331	55,375	35,633	94,524	749,603	730,209
Operating Surplus (Deficit)	$ (356)	$ 995	$ (442)	$ 1,273	$ 8,375	$ 31,224
Statement of Cash Flows						
Cash and Cash Equivalents, Beginning of Year	$ 13,798	$ 378	$ 7,485	$ 2,823	$ 148,546	$ 172,952
Cash Provided by Operating Transactions	5,565	11,960	3,118	4,684	76,077	64,736
Cash Provided by (Applied to) Organizational Activities	(5,862)	(3,858)	(1,245)	(2,912)	(78,080)	(89,144)
Cash and Cash Equivalents, End of Year	$ 13,501	$ 8,480	$ 9,358	$ 4,595	$ 146,543	$ 148,544
Statement of Changes in Net Financial Assets (Net Debt)						
Annual Operating Surplus (Deficit)	$ (356)	$ 995	$ (442)	$ 1,273	$ 8,375	$ 31,224
Changes to Accounts Relating to Non-Financial Assets	(684)	1,070	(674)	549	(14,271)	308,965
Increase (Decrease) in Net Financial Assets (Net Debt) in the Year	(1,040)	2,065	(1,116)	1,822	(5,896)	340,189
Net Financial Assets (Net Debt), Beginning of Year	12,791	14,288	5,492	23,476	208,690	(131,499)
Net Financial Assets (Net Debt), End of Year	$ 11,751	$ 16,353	$ 4,376	$ 25,298	$ 202,794	$ 208,690
Salary and Benefits of President Positions						
Base Salary	$ 217	$ 242	$ 186	$ 314		
Other Cash Benefits (2)	7	160	1	—		
Non-Cash Benefits (3)	37	31	38	33		
	$ 261	$ 433	$ 225	$ 347		

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(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Specialized Arts and Culture Institutions

Summary Financial Statements (1)

	for June 30, 2015		for March 31, 2016		*(in thousands)*
	Alberta College of Art + Design		The Banff Centre		
	2015	2014	2016	2015	
Statement of Financial Position					
Financial Assets					
Cash and Cash Equivalents	$ 5,767	$ 7,849	$ 7,091	$ 6,656	
Portfolio Investments - Non-Endowment	6,377	3,374	15,018	4,018	
Portfolio Investments - Restricted for Endowment	4,425	4,484	40,074	44,339	
Accounts Receivable	301	231	5,631	6,379	
Inventories for Resale	178	154	241	231	
	17,048	16,092	68,055	61,623	
Liabilities					
Accounts Payable and Accrued Liabilities	1,601	2,019	6,532	4,055	
Employee Future Benefit Liabilities	10	87	3,291	3,333	
Debt	94	126	90	450	
Deferred Revenue	6,815	4,907	24,171	15,099	
Unspent Deferred Capital Contributions	1,024	835	1,997	1,732	
	9,544	7,974	36,081	24,669	
Net Financial Assets (Net Debt)	$ 7,504	$ 8,118	$ 31,974	$ 36,954	
Non-Financial Assets					
Tangible Capital Assets	$ 4,549	$ 4,976	$ 132,249	$ 136,016	
Inventories of Supplies	359	342	137	139	
Prepaid Expenses	75	87	872	199	
	4,983	5,405	133,258	136,354	
Net Assets before Deferred Capital Contributions	12,487	13,523	165,232	173,308	
Spent Deferred Capital Contributions	4,135	4,377	111,328	114,244	
Net Assets	$ 8,352	$ 9,146	$ 53,904	$ 59,064	
Net Assets is comprised of:					
Accumulated Surplus	$ 8,342	$ 9,139	$ 53,904	$ 59,064	
Accumulated Remeasurement Gains and Losses	10	7	—	—	
	$ 8,352	$ 9,146	$ 53,904	$ 59,064	

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(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

Specialized Arts and Culture Institutions

Summary Financial Statements (1)

	for June 30, 2015		for March 31, 2016	*(in thousands)*
	Alberta College of Art + Design		**The Banff Centre**	
	2015	2014	2016	2015
Statement of Operations				
Revenue	$ 20,599	$ 20,306	$ 64,678	$ 62,156
Expenses	21,337	20,565	64,603	61,818
Operating Surplus (Deficit)	$ (738)	$ (259)	$ 75	$ 338
Statement of Cash Flows				
Cash and Cash Equivalents, Beginning of Year	$ 7,849	$ 8,707	$ 6,655	$ 3,757
Cash Provided by (Applied to) Operating Transactions	482	(59)	4,319	6,412
Cash Applied to Organizational Activities	(2,564)	(799)	(3,883)	(3,513)
Cash and Cash Equivalents, End of Year	$ 5,767	$ 7,849	$ 7,091	$ 6,656
Statement of Changes in Net Financial Assets (Net Debt)				
Annual Operating Surplus (Deficit)	$ (738)	$ (259)	$ 75	$ 338
Changes to Accounts Relating to Non-Financial Assets	124	(116)	(5,055)	11,153
Increase (Decrease) in Net Financial Assets (Net Debt) in the Year	(614)	(375)	(4,980)	11,491
Net Financial Asset (Net Debt), Beginning of Year	8,118	8,493	36,954	25,463
Net Financial Asset (Net Debt), End of Year	$ 7,504	$ 8,118	$ 31,974	$ 36,954
Salary and Benefits of President Positions				
Base Salary	$ 250		$ 295	
Other Cash Benefits (2)	17		—	
Non-Cash Benefits (3)	32		111	
	$ 299		$ 406	

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(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

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Other Information

Unaudited information

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Endnotes

Endnote A

Post-Secondary Graduate Outcomes Survey

The Post-Secondary Graduate Outcomes Survey is conducted every other year. Graduates of Alberta's publicly funded post-secondary institutions (with the exception of The Banff Centre) are surveyed two years after graduation and asked a range of questions about their educational experience, including their overall level of satisfaction, their satisfaction with any transfer credit received and whether they would recommend their program of study to someone else.

The most recent survey was conducted with individuals who graduated in 2011-12. An independent third-party contractor conducted the survey from January to May 2014, and respondents could take part over the phone or online. A census approach was used to survey graduates who attended institutions with fewer than 1,300 graduates, meaning that all graduates of that institution were invited to participate in the survey. For larger institutions, a sampling approach was used, due to the size of the population involved.

On the survey, satisfaction questions could each be answered with one of the following responses: *very dissatisfied, dissatisfied, satisfied* or *very satisfied*. Satisfaction rates were calculated as the sum of *satisfied* and *very satisfied* responses divided by the total number of responses to the question, excluding *don't know* and non-responses.

The complete survey results are available on the ministry's webpage.

Endnote B

Survey of Apprenticeship Graduates

The Survey of Apprenticeship Graduates is typically conducted every other year. However, the regularly scheduled 2014 survey was postponed until 2015 while the ministry conducted a review of the survey. The survey uses a census approach to ask recent graduates of apprenticeship programs about their satisfaction and experience with various aspects of the trade program they completed, including their satisfaction with on-the-job and technical training.

An independent third-party contractor conducted the survey from November 10, 2015 to January 25, 2016. Graduates were contacted by telephone and email and asked questions about their satisfaction with the apprenticeship and industry training system.

On the survey, satisfaction questions could be answered with one of the following responses: *very dissatisfied, dissatisfied, satisfied, very satisfied* or *I don't know*. Satisfaction rates were calculated as the sum of *satisfied* and *very satisfied* responses divided by the total number of responses to the question, including *I don't know, not applicable* or non-responses.

Endnote C

Survey Sampling Considerations

Ideally, a population is studied by taking a census survey, i.e. collecting data about every member of the population. Analysis of census survey data yields parameters, numbers that describe the whole population. When a census is impractical, data is collected for a representative sample or portion of the population. Analysis of sample survey data yields statistics, numbers that describe part of the population. Provided certain assumptions regarding population distribution and sample randomness are satisfied, calculations based on population and sample sizes may be performed to gauge how well a statistic represents a parameter.

Statistical inference uses sample data to deduce the attributes of a population. The reliability of such a generalization depends on a statistic's precision and accuracy, as expressed by its confidence interval and confidence level, respectively. The confidence interval consists of the statistic calculated from sample data (an estimate of the most likely value of the parameter) and a margin of error on either side of it. The confidence level is the probability that the confidence interval contains the population parameter. Considering every possible different sample of size *n* that could be selected from a population of size *N*, the confidence level is the portion of those samples whose confidence intervals contain the parameter.

Survey statistics are usually qualified by a statement of the margin of error followed by the confidence level, e.g. 72%, ±2% at the 95% confidence level. A confidence level of 95% is commonly used in survey design and has been employed in the Post-Secondary Graduate Outcomes Survey and the Survey of Apprenticeship Graduates. The sample sizes for these surveys provided an acceptable margin of error at the specified confidence level.

Endnote D

Labour Force Survey

Statistics Canada's Labour Force Survey is used to calculate the percentage of Albertans age 18-34 who report attending post-secondary programs. The Labour Force Survey is a monthly, Canada-wide survey of a representative sample of households in the provinces and territories. Data is collected on all members of the household who are 15 years of age or older. Persons living on Reserves, inmates of institutions and full-time members of the Canadian Armed Forces are excluded from the survey. The average Alberta sample size for the monthly Labour Force Survey was 5,690 households in 2015.

The calculation of this measure uses an eight-month average (January to April and September to December) to account for the fact that many post-secondary students attend school during the fall and winter semesters while working during the summer.

The *2015 Guide to the Labour Force Survey* (Statistics Canada Catalogue no. 71-543-G) provides more information on this survey.

Statement of Remissions, Compromises and Write-offs

for the year ended March 31, 2016 *(in thousands)*

The following statement has been prepared pursuant to Section 23 of the *Financial Administration Act*. This statement includes all remissions, compromises and write-offs made or approved during the fiscal period.

Compromises under Section 22 of the *Financial Administration Act*	$ 2
Write-offs – Implemented Guarantees, Indemnities, Loans and Advances – Section 20 of the *Student Financial Assistance Act*	1,716
Total remissions, compromises and write-offs	$ 1,718

Statement of Guarantees and Indemnities given by the Crown and Provincial Corporations

for the year ended March 31, 2016 *(in thousands)*

The following has been prepared pursuant to Section 75 of the *Financial Administration Act*. The statement summarizes the amounts of all guarantees given by the Crown through the Ministry of Advanced Education under the *Student Loan Act* for the year ended March 31, 2016, the amounts paid to financial institutions as a result of the guaranteed loan program, and the amounts recovered on debts owing as a result of payments under guarantees.

	Amount of Guarantee	Payments	Recoveries
Crown Guarantees	$ —	$ 12	$ 51

Annual Report Extracts and Other Statutory Reports

Public Interest Disclosure (Whistleblower Protection) Act

Chief officer's annual report

32(1) Every chief officer must prepare a report annually on all disclosures that have been made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.

(2) The report under subsection (1) must include the following information:

(a) the number of disclosures received by the designated officer, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;

(b) the number of investigations commenced by the designated officer as a result of disclosures;

(c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.

(3) The report under subsection (1) must be included in the annual report of the department, public entity or office of the Legislature if the annual report is made publicly available, and if the annual report is not made publicly available, the chief officer must make the report under subsection (1) available to the public on request.

Summary of inquiries, disclosures, investigations, and reports made under the *Public Interest Disclosure (Whistleblower Protection) Act* for the Department of Advanced Education during 2015-16.

There were no disclosures of wrongdoing for the Department of Advanced Education during 2015-16. One investigation report was completed on a file that was opened prior to April 1, 2015. In that case, no wrongdoing was found.

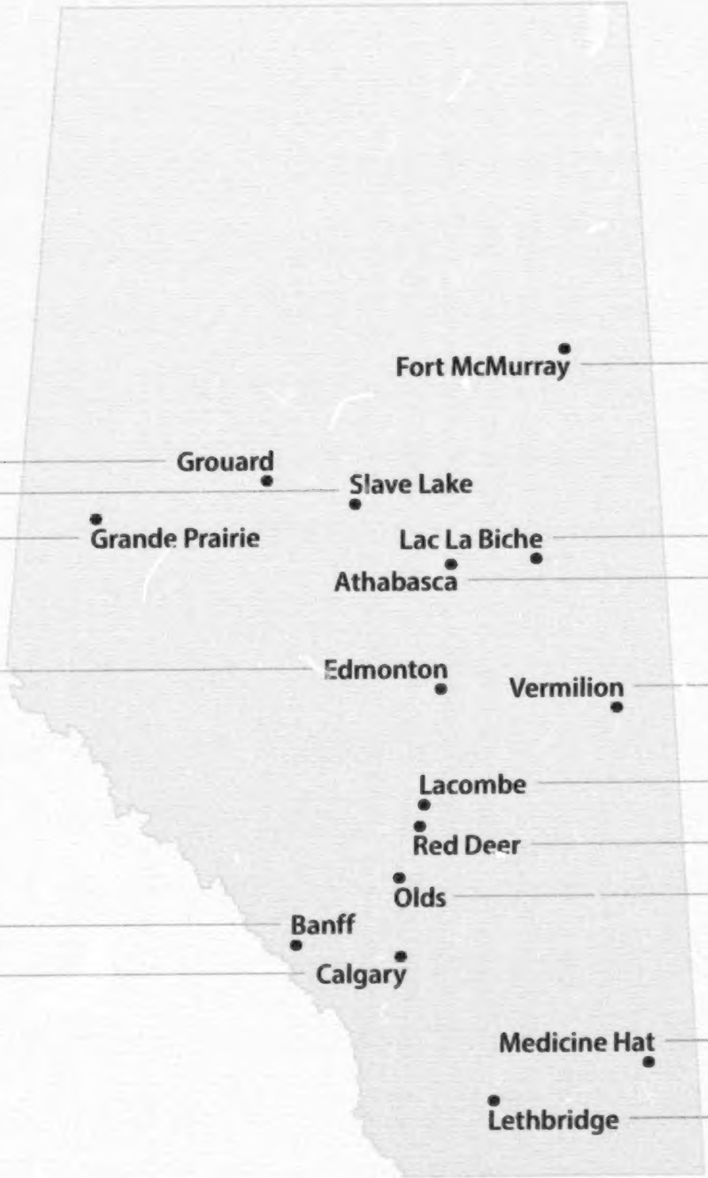
The department's agencies make whistleblower disclosures in their own annual reports. Full information for these agencies are available on their websites.

Contact Information

Advanced Education	advancededucation.alberta.ca
Entities	
Access to the Future Fund	advancededucation.alberta.ca/post-secondary/funding/supportsinstitutions/aff.aspx
Advisory Boards, Councils, and Authorities	
Access Advisory Council	advancededucation.alberta.ca/ministry/agencies/caadvisory/publications/
Alberta Apprenticeship and Industry Training Board	tradesecrets.alberta.ca
Alberta Council on Admissions and Transfer	acat.gov.ab.ca
Campus Alberta Quality Council	caqc.gov.ab.ca
Publicly Funded Post-Secondary Institutions	
Comprehensive Academic and Research Institutions	
University of Alberta	ualberta.ca
University of Calgary	ucalgary.ca
University of Lethbridge	uleth.ca
Athabasca University	athabascau.ca
Baccalaureate and Applied Studies Institutions	
Grant MacEwan University	macewan.ca
Mount Royal University	mtroyal.ca
Polytechnical Institutions	
Northern Alberta Institute of Technology	nait.ca
Southern Alberta Institute of Technology	sait.ca
Comprehensive Community Institutions	
Bow Valley College	bowvalleycollege.ca
Grande Prairie Regional College	gprc.ab.ca
Keyano College	keyano.ca
Lakeland College	lakelandcollege.ca
Lethbridge College	lethbridgecollege.ca
Medicine Hat College	mhc.ab.ca
NorQuest College	norquest.ca
Northern Lakes College	northernlakescollege.ca
Olds College	oldscollege.ca
Portage College	portagecollege.ca
Red Deer College	rdc.ab.ca
Specialized Arts and Culture Institutions	
Alberta College of Art + Design	acad.ca
The Banff Centre	banffcentre.ca
Independent Academic Institutions	
Ambrose University	ambrose.edu
Burman University	burmanu.ca
Concordia University of Edmonton	concordia.ab.ca
St. Mary's University	stmu.ca
The King's University College	kingsu.ca

Publicly Funded Post-Secondary Institutions

Main Campuses


Fort McMurray
Grouard
Slave Lake
Grande Prairie
Lac La Biche
Athabasca
Edmonton
Vermilion
Lacombe
Red Deer
Olds
Banff
Calgary
Medicine Hat
Lethbridge

Northern Lakes College

Grande Prairie Regional College

University of Alberta
MacEwan University
Northern Alberta Institute of Technology
NorQuest College
Concordia University of Edmonton
The King's University College

The Banff Centre

University of Calgary
Mount Royal University
Southern Alberta Institute of Technology
Bow Valley College
Alberta College of Art + Design
Ambrose University
St. Mary's University

Keyano College

Portage College

Athabasca University

Lakeland College

Burman University

Red Deer College

Olds College

Medicine Hat College

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